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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Release Date: 5/21/02

CITY OF NEW ORLEANS, LOUISIANA
MARC H. MORIAL, MAYOR
FOR THE YEAR ENDING DECEMBER 31, 2001

**CITY OF NEW ORLEANS
LOUISIANA**

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2001

*Prepared by:
Department of Finance
Reginald Zeno
Director*

CITY OF NEW ORLEANS, LOUISIANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED DECEMBER 31, 2001

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INTRODUCTORY SECTION



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MAYOR

CITY OF NEW ORLEANS

FINANCE DEPARTMENT

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REGISTERED FINANCIAL
DIRECTOR

June 28, 2002

The Honorable Mayor and the City Council
City of New Orleans, Louisiana

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of New Orleans for the year ended December 31, 2001.

The CAFR has been prepared in conformance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The City's basis of accounting and its various funds are explained in the notes to the accompanying general purpose financial statements.

Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures rests with the City. We believe the data, as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The accompanying financial statements have been audited by the City's certified public accountants and their opinion resulting from their audit is included in this Comprehensive Annual Financial Report.

Our Comprehensive Annual Financial Report is divided into three sections:

- The Introductory Section includes a list of principal officials, the City's organizational chart, and information about the organizational structure of the City, its accounting and budgetary systems, and fund structure. It also has summarized data reflecting the financial condition of the City including an analysis of general government operations and debt administration.
- The Financial Section is prepared using the pyramid approach of the GASB. It includes the General Purpose Financial Statements which presents the combined statements as an overview of the City's entire financial operation. Next, combining and individual fund statements present each of the material separate funds and account groups of the City. Schedules provide certain other information and details of data summarized in the financial statements. The statements and schedules included in this section pertain to those operations which, when taken together, make up the reporting entity of the City.
- The Statistical Section includes tables containing historical financial data, debt statistics, and selected financial and demographic information of the City that are of interest to potential investors in our bonds and other readers, including ten-year revenue and expenditures information.

"An Equal Opportunity Employer"



THE REPORTING ENTITY AND ITS SERVICES

New Orleans, the largest city in Louisiana, was founded in 1718 and incorporated in 1825. The City's system of government is established by its Home Rule Charter which became effective in 1984. The Louisiana Constitution prohibits the state legislature from enacting any law affecting the structure, organization, or distribution of the powers and functions of any local subdivision which operates under a Home Rule Charter. The City's Home Rule Charter may be amended only by the vote of a majority of the qualified voters in the City, voting at an election called by the City Council on its own initiative, or upon receipt of a petition of not less than ten thousand registered voters.

The City has a Mayor-Council form of government. The Mayor is elected for a four-year term and is limited to two consecutive terms. The Mayor appoints the Chief Administrative Officer, who is his principal assistant and budget officer for the City. The Chief Administrative Officer appoints all department heads, subject to the Mayor's approval, except the City Attorney, who is appointed by the Mayor, and the Personnel Director, the City Civil Service Department, who is appointed by the Civil Service Commission. The City has thirteen executive departments and numerous affiliated boards and commissions, and provides a full range of services including police and fire protection, sanitation services, the construction and maintenance of streets, infrastructure, and recreational activities and cultural events.

The Council is the legislative body of the City government, comprised of five Council members elected from five geographic districts and two elected at large, all for four-year terms. Laws are enacted through Council ordinance. The Council adopts the City's annual capital and operating budgets. Ordinances of the Council may be vetoed by the Mayor. Vetoes may be overridden by a two-third vote of the Council.

The financial statements of the reporting entity include those of the City (the primary government) and its component units in conformity with GASB Statement No. 14, "The Financial Reporting Entity." Component units are legally separate organizations for which the elected officials of the City are financially accountable, or the relationship to the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Component Units - In conformity with GAAP, the financial statements of component units have been included in the financial reporting entity either as blended component units or discretely presented component units. Each blended and discretely presented component unit has a December 31 year end. Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices.

Blended Component Units - For financial reporting purposes, the Board of Liquidation, City Debt is included (blended) in the operations and activities of the City because it handles all matters relating to the bonded debt of the City. Complete financial statements for this blended component unit may be obtained at the entity's administrative offices.

Discretely Presented Component Units - The general purpose financial statements of the City include all government activities, organizations and functions for which the City is financially accountable, or the relationship to the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. Based upon the foregoing criteria, the financial statements of the following associated organizations are included in the general purpose financial statements:

Auditors Commission
Canal Street Development Corporation
Downtown Development District
French Market Corporation
Municipal Youth Harbor Management Corporation
New Orleans Economic Development Corporation
New Orleans Building Corporation
New Orleans International Airport
New Orleans Tourism Marketing Corporation
Orleans Parish Communication District
Upper Fontaine Building Association Corporation
Sewerage and Water Board of New Orleans

Current Louisiana law provides for creation of several districts and independently elected public offices for the provision of certain services at the parish level. Examples would include the Orleans Parish School Board, Assessors, Civil and Criminal Sheriff and Clerk of Court. These officials prepare their own budgets and operate independently of the City. The results of operations of these offices are not included in this report because there is a lack of financial accountability for these offices as the part of the City's elected officials.

YEARS IN REVIEW

The general fund ended fiscal year 2001 with a fund balance of 21.9 million on a GAAP basis. The City of New Orleans was affected by the national downturn of the economy, and, like most major cities, New Orleans suffered additional economic setbacks and fiscal problems in 2001 due to the national tragedy of September 11.

To counter this trend in an economy based on travel and tourism, the city partnered with airlines, the convention sector, local hotels, and the managers of key attractions to provide incentives for business and leisure travelers.

The City continued its expansion efforts at the New Orleans International Airport, revitalizing its renovations with a fresh, new name. On August 2, 2001 the airport was renamed after one of the city's favorite sons. By the end of the year, Louis Armstrong New Orleans International Airport served 8,587,851 passengers. The 2001 figures represented only a three percent decline from the 2000 calendar year, quite astounding in light of major decreases at other airports in other areas.

Jet Blue became the 15th airline to provide flights at the Airport when they began operations in May 2001. To better accommodate passengers, the New Orleans Aviation Board began the rebuilding of the Airport with \$181 million in construction projects, slated to continue in 2002 and 2003. In other airport developments, work was started on the access road to the airport. Additionally, plans were finalized for construction of a new 2,500-space covered parking garage with the cost of the parking lot funded through tax-exempt bonds rather than through the Airport's construction budget. The Airport will receive 100 percent of net operating income from parking revenues which is expected to reach \$120 million over the garage's first 20 years of operation.

The Ernest M. Morial Convention Center continued to be one of the greatest economic assets of the City of New Orleans and the State of Louisiana. In 2001, there were 169 major conventions and trade shows held at the Morial Convention Center, attracting a total of 692,522 attendees. The number of attendees was down by 5.4 percent, compared to 2000. The total economic impact of

the Convention Center in 2001 was \$3.03 billion. This is made up of direct spending of \$1,181.02 million and secondary spending of \$1,801.03 million. In addition, 36,788 jobs in the total economy are supported by the activities of the Morial Convention Center and \$595 million in new income was reported for local residents.

Even with the economic problems of 2001, the City bolstered its efforts to build its economy. For instance, while the Port of New Orleans was impacted by a downturn in steel usage this year, it continued to be a competitive force in other major commodity groups. Through an aggressive capital and construction program and new equipment, the Port continues in its role as a star in the New Orleans' economy.

ECONOMIC OUTLOOK

The historic culture of New Orleans attracts visitors from every part of the globe. Successful crime initiatives and proactive economic development programs have helped to make the City the world's number one destination for culture, music, and food.

New Orleans is world-renowned as a leader in hosting large-scale events. The city's Mardi Gras celebration, which generates over a \$1 billion economic impact, the Jazz & Heritage Festival, Bayou Classic, and summer Essence Festival are annual attractions drawing millions of visitors.

The film and music industries of New Orleans generate a sustained economic impact of \$2 billion annually, and show that the city's charm makes a natural place for new entertainment growth. Popular annual sporting events hosted in New Orleans include the Sugar Bowl and the Bayou Classic.

MAJOR INITIATIVES

Providing opportunities for young people is an essential component to rebuilding New Orleans. Each year, the Mayor's Team provides 1,000 meaningful summer employment opportunities to New Orleans youth. These jobs unite the city with its private industries and help young people learn responsibility and work ethic. Increased funding to the New Orleans Recreation Department now allows for a full complement of summer camps, team camps, swimming programs, and after-school recreational programs.

Home ownership is a necessary component in building New Orleans neighborhoods. In partnership with local banks and lending institutions, faith and community-based organizations and citizens, the City of New Orleans has leveraged Federal Community Development Block Grant funds to impact target areas including the Gretna-Carrie Haley corridor, the Seventh Ward community, and the lower Ninth Ward where new and renovated units are now sold to first-time homeowners.

New Orleans is moving forward with innovations in city government, new development to restore neighborhoods, efforts to enhance public safety, and a focus on young people. But the city's focus goes beyond modernized infrastructure. Investments must be made to train a new workforce to compete in the global economy.

DEPARTMENT FOCUS

The Fire Department, headed by the Superintendent of Fire, shall:

1. Organize, administer, supervise and discipline the fire force of the City;
2. Extinguish fires and investigate their causes;

3. Operate and maintain the communication systems, either separately or in conjunction with others;
4. Administer and enforce ordinances, regulations and laws relating to fire prevention and safety of persons;
5. Respond either separately or in conjunction with others in situations involving hazardous materials and in other emergency situations involving the safety of persons or property; and
6. Perform such other duties required by this Charter or assigned in writing by the Mayor.

In the past five years the New Orleans Fire Department has made great strides and provided various new and interesting programs including:

- **Safety awareness fire education targeting youth liability program.** The program is designed to identify, evaluate and treat the juvenile fire setter to prevent recurrence of the fire setting behavior.
- **Physical Fitness Program.** The City developed comprehensive fitness program that structures a complete program for enhancing the fitness of city firefighters. This program takes into consideration the current condition of each firefighter, his/her "lifestyle" and reasonable goals to increase fitness through exercise and training.
- **Arson sniffer dog.** The arson squad has been chosen by the Bureau of Alcohol, Tobacco and Firearms to participate in the "canine accelerant detection training" programs. This program is sponsored by ATF, the Connecticut State Police and The Atlas Insurance Company. An arson investigator was trained and teamed with the sniffer dog. These teams have proven to be the most effective means available to locate and identify accelerants used by arsonists in the commission of their crime.
- **Safe House.** Safe house is a mobile classroom with real life hazards like smoke and heat. This creates an environment that provides children with the knowledge needed and the steps to follow if they find themselves in a fire situation. A non-toxic smoke system allows children to practice "crawling low" in a fire, a hinged door demonstrates the need to feel closed doors, a fog-light fireplace is the focal point of the living room, and an escape ladder is used to exit from the bedroom.
- **Learn not to burn is a nationally tested and proven fire safety education program.** It is the standard in its emphasis. Through a joint venture of the New Orleans Fire Department, the Orleans Parish Public Schools System, Academics of New Orleans Schools, area private schools and the National Fire Protection Association, this program is taught in all parish public elementary schools, grades Pre-K through Third. It will reach over 30,000 students and will seek to involve their parents in fire safe practices. This program is a proven life saver.
- **Smoke Detector Program.** This program has been funded by various companies. The Fire Department encourages companies to donate smoke detectors so that they can be given to citizens who cannot afford them. The detectors are then installed by members of the AFDH.

FINANCIAL CONTROLS

The City's administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. IIR believes that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, "Audits of States and Local Governments." Information related to this single audit, including the schedule of tested financial statements, findings and recommendations, and auditors' reports on the internal control structure and compliance with applicable laws and regulations, can be found in the separate report on the single audit of the City of New Orleans.

BUDGETARY PROCEDURES

The City's Charter requires the annual preparation of a balanced operating budget. It prohibits the Department of Finance from approving any expenditures under any portion of the annual operating budget unless sufficient revenues have been appropriated by the City Council to finance the proposed operations. The City Council is required to appropriate the necessary tax and other revenue resources to produce a balanced budget. In addition, no budgeted expenditures may be made unless authorized by the Mayor or the Chief Administrative Officer through an allotment system.

The City maintains revenues and expenditures closely during the year. Transfers within the budget are adopted by the City Council when necessary to increase or curtail budgeted expenditures to ensure a balanced budget.

The City maintains budgetary controls at the departmental level by cost object classification and allocates appropriations on a quarterly basis. These cost object classifications were originally specified as four by the City's Home Rule Charter (the Charter): personal services of officials and employees; nonpersonal services; supplies; and equipment and property. However, charter amendments adopted late in 1995 amended these classifications to three classifications for 1996 which are classified as: personal services, other operating expenses, and debt service. Although all expenditures are recorded at the individual line item level, they are summarized for reporting purposes to these three expenditure classifications.

Expenditures are recorded via the Bureau of Accounting through a an on-line processing system before the requisitions are electronically transmitted to the Bureau of Purchasing. If sufficient funds are not available to cover a purchase, the requisition is rejected and returned to the originating department for appropriation in advance charges, transfer of funds or cancellation. Appropriations are allowed to be amended through congressional action during the year and all unencumbered

appropriations lapse at year end. The City Charter, as well as state law, does not allow deficit spending. The Department of Finance is able to control all of the above through a computerized financial management system initiated in 1997 and uses a program budget. The basic concept of program budgeting rests in the tenet that public expenditures should be justified by their impact on public goals and not restricted solely by the criteria of efficiency and economy.

CAPITAL BUDGET

The Mayor annually recommends to the City Council a capital improvement program for the next five years and a capital budget by project for the first year of the program. The City Council is obligated to approve a capital budget program and adopt a capital budget before it adopts the annual operating budget. The capital program and budget must show the amounts and sources of money of each separate project. The amounts budgeted constitute appropriations from the funds indicated when they become available. Expenditures for capital projects are made through the capital projects fund.

SUBSIDIARY AND FINANCIAL REPORTING

The fund structure by which the financial transactions of the City of New Orleans are recorded is defined in the 1984 Reiss-Roth Charter and does not conform to the current standards of the Governmental Accounting Standard Board (GASB). For purposes of explanation, however, the accompanying combined financial statements, which are presented in the financial section of this report, have been structured to substantially conform with the GASB's prescribed standards. Primarily all general governmental functions other than debt service and capital improvements are accounted for in the general fund.

Expenditures of the current year are recorded as obligations against budgetary appropriations and are included in the columns titled "actual or a budgetary basis" in the statements in the financial section of this report. Appropriations neither encumbered nor expended lapse at the end of the fiscal year.

GENERAL FUND

Revenues and other financing sources for the general fund in 2001 totaled approximately \$408,721,000. These revenues represent a \$22.3 million decrease from 2000, since revenues for 2000 totaled \$431,058,000. Factors contributing to significant changes in revenues from the prior year include the following:

Taxes increased \$5.8 million in 2001 over 2000. This increase was due to improved collection of sales taxes and property taxes.

Licenses and permits increased \$5.5 million in 2001 from 2000. This increase was due to the receipt of franchise fee collections.

Intergovernmental revenues decreased \$2.9 million in 2001 from 2000. This decrease was due to a reduction in funding from federal taxes.

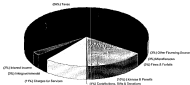
Contributions, gifts, and donations decreased by 47.9 million from 2000. This decrease was due to parking fee from Harrah's and reimbursement from Fire Services.

Other financing sources decreased by \$29.4 million from 2000. This decrease was due to \$27 million bond proceeds received during 2000.

The accompanying table/chart shows the amount (in thousands) of general fund revenues by source for 2001 and 2000.

Revenues and Other Financing Sources	2001 Actual	% of Total	Increase/Decreased Over 2000	2000 Actual	% of Total
Taxes	\$250,728	58	\$4,060	\$250,502	58
Licenses & permits	62,840	15	\$,318	62,021	15
Intergovernmental	12,381	3	12,852	15,353	4
Charges for services	44,569	11	3,379	43,694	10
Fines and Forfeits	13,267	3	782	12,505	3
Interest income	10,118	2	1285	8,829	2
Contributions, gifts, and donations	1,008	1	17,821	9,800	2
Miscellaneous	11,577	3	10,704	15,772	3
Other financing sources	13,255	3	139,838	42,128	10
	<u>\$429,134</u>	<u>100</u>	<u>\$127,934</u>	<u>\$427,692</u>	<u>100</u>

Revenue Dollar
(Percentage and Source)

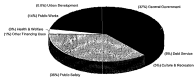


The increase in 2001 over the prior year was due to the \$27.1 million payments of legal claims.

The following table/chart shows the amount (in thousands) of general fund expenditures by function and other financing uses for 2000 and 2001.

Expenditures and Other Financing Uses	2001 Actual	% of Total	Increase (Decrease) Over 1999	2000 Actual	% of Total
General government	1124,200	32	1123,704	1127,864	38
Public Safety	160,834	38	85,882	160,516	37
Public Works	88,862	14	15,218	85,661	14
Health and Welfare	12,117	3	11,631	10,380	3
Culture and Recreation	32,397	6	1578	32,875	6
Urban Development	271	—	681	329	—
Debt Service	33,870	0	12,340	21,522	5
Other financing uses	2,322	1	22	2,312	—
Total	1,479,892	100	1,478,074	1,462,929	100

Expenditure Dollars
(Percentage and Function)



2001 Dollars

The fund balances of the General Fund at December 31, 1997 through December 31, 2001 are as follows (amounts in thousands):

	1997	1998	1999	2000	2001
Reserved for contingencies	\$33,800	\$33,471	\$7,852	\$6,841	18,326
Designated:	3,008	3,318	1,717	760	3,782
Undesignated	<u>5,218</u>	<u>13,082</u>	<u>3,572</u>	<u>1,928</u>	<u>2,674</u>
Total	<u>\$39,299</u>	<u>\$39,722</u>	<u>\$29,291</u>	<u>\$29,230</u>	<u>\$21,982</u>

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used for certain revenue sources which are restricted by law or other formal action to expenditures for specific purposes.

DEBT SERVICE FUNDS

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Total fund balance for the Debt Service Fund was \$28,294,000 at December 31, 2001.

CAPITAL PROJECT FUNDS

The Capital Projects Fund is used to account for all resources and expenditures in connection with the acquisition of capital facilities other than those accounted for in the Component Units. Expenditures for capital improvement projects in 2001 totaled \$43,178,000 a decrease of \$18,826,000 from the 2000 total.

COMPONENT UNITS

The City operates three major Component Units: the Sewerage and Water Board, the New Orleans International Airport and the Audubon Park Commission. Other Component Units include the French Market Corporation, the Municipal Yacht Harbor, the Upper Persepolis Building Restoration Corporation, the Orleans Parish Communication District, the Canal Street Development Corporation, the Downtown Development District, and the New Orleans Tourism Marketing Corporation.

The Sewerage and Water Board reported 2001 operating revenues and net income of \$135,887,000 and \$4,187,000, respectively. Operating expenses increased 4% to \$147,018,000 in 2001 from \$139,950,000 in 2000.

New Orleans International Airport is the air carrier airport serving the New Orleans metropolitan area - the largest metropolitan area in the state of Louisiana. The Federal Aviation Administration (FAA) classifies New Orleans as a medium air traffic hub. The airport primarily serves passengers whose travel originates or terminates in New Orleans.

The airport is located on approximately 1,500 acres of land in Jefferson and St. Charles parishes and the city of Kenner, Louisiana. The terminal building complex consists of about 700,000 square feet and accommodates a total of 44 aircraft parking positions.

The airport's 2001 operating revenue amounted to \$56,555,000 which permitted the airport to meet its current operating expenses and pay current debt service and reserve requirements as they become due.

The Audubon Commission (the Commission), a 24 member body appointed by the Mayor with the approval of the City Council, is entrusted with the management and control of Audubon Zoo, Audubon Golf Course, the Aquarium, and the Species Survival Center.

The Commission receives its financing from a dedicated special ad valorem tax, which is pledged as security for \$3,180,000 in bonds issued in 1979 and 1980; admission fees to the zoo; concessions rentals and fees; donations; and other miscellaneous sources. In 1988 the voters approved a special ad valorem tax pledged as security for \$25,000,000 in bonds issued in April 1988 to construct the Riverfront Aquarium. All operations of the Audubon Commission are administered by the Audubon Institute, a private development associated with the Commission.

FIDUCIARY OPERATIONS

Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City's Pension Trust Funds are used to account for the accumulation of resources to be used for retirement annuities and death and disability benefits to employees.

GENERAL FIXED ASSETS

The general fixed assets of the City are those fixed assets used in the performance of general governmental functions and exclude the fixed assets of the Proprietary Funds and infrastructure items such as roads, bridges and drainage canals. As of December 31, 2001, the general fixed assets including construction in progress of the City amounted to \$608,138,600.

DEBT ADMINISTRATION

The ratio of general bonded debt to assessed value of taxable property and the amount of general bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens and investors. This data for the City at the end of the 2001 fiscal year was as follows:

	Amount	Ratio of general debt to assessed value of taxable property	Dedated Debt per capita
General bonded debt	\$604,488,000	20.63%	\$858

Outstanding general obligation bonds at December 31, 2001 totaled \$604,488,000 all of which are considered to be net, direct-tax supported debt. There are no special assessment bonds outstanding. Tables 8 through 12 in the statistical section of this report present more detailed information about the debt position of the city.

The Louisiana Legislature, in Act 1 of 1984, increased the City's general obligation bond debt limit to an amount equal to the greater of (a) \$600,000,000 or (b) 35% of total assessed valuation of the City. Under Act No. 1 of the City's debt limit, based on the most recent assessed valuations, is \$2,251,888,000 as of December 31, 2001.

As of the end of 1999, the City's general obligation bonds were rated "AAA" from Moody's Investor Service and "AAA+" from Standard and Poor's Corporation.

CASH MANAGEMENT

The Finance Department strives to keep abreast of current trends and procedures for cash management and forecasting in order to ensure the most efficient and profitable use of the City's cash resources. While efforts are made to maximize the return on the City's investment dollar, our primary concern in achieving this goal is to always ensure the return of principal.

Cash temporarily idle during the year was invested in certificates of deposit, reverse repurchase agreements, and U.S. Government securities. All investment decisions are based upon time periods to maturity and maximum yields by competitive bids. The total interest income earned by the City in the General Fund for the year ended December 31, 2001 on a non-GAAP budgetary basis was \$10,514,000 compared to \$9,629,000 in 2000.

RISK MANAGEMENT

The City maintains a self-insurance program for its motor vehicle fleet, general liability, and police department excessive force issues. Premiums are charged to the City's various funds for the unemployment and worker's compensation self-insurance programs and to employees and the City's various funds for the hospitalization self-insurance programs. In addition, the City's Risk Management Division works toward reducing the number of claims which resulted in lawsuit, shorter length of time in which a claim is processed or resolved, and provides investigations and support services and employs various risk control techniques.

INDEPENDENT AUDIT

The City Charter requires an audit of the financial statements of all accounts of the City by an independent certified public accountant selected by the City Council. Accordingly, this year's audit was completed by Deloitte & Touche LLP with assistance from Bruno and Tordella, CPA's, Lamber Swright, CPA's, and Delaplane, Hapeman, Hogan and Males, LLP, among others.

AWARD FOR DISTINGUISHED BUDGET PRESENTATION

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to governments for their comprehensive annual financial reports. In order to be awarded a Certificate of Achievement, governments are required to publish an easily accessible and efficiently organized comprehensive annual financial report. In 1994, 1996, 1997, 1998, 1999 and 2000, the City was awarded the Certificate of Achievement for Excellence in Financial Reporting.

We believe that our current annual financial report meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the patience and dedication of the entire staff of the Finance Department; however, a special word of appreciation is due to the Bureau of Accounting staff who prepared this financial report while coping with the hectic day to day work which must be done. I would also like to express my appreciation to all members of the Finance Department and the staff of the other departments, boards, and agencies of the City who assisted and contributed to the preparation of this report.

Finally, I would like to acknowledge the helpful suggestions and support received from the Mayor, members of the City Council and Council Audit Committee. Their support is greatly appreciated.

Respectfully submitted,



Raymond Zeno
Director of Finance

CITY OF NEW ORLEANS, LOUISIANA

Selected Officials December 31, 2001

The City Council

Mr. James Singleton	Councilmember-at-Large
Mr. Eddie L. Scaif	Councilmember-at-Large
Mr. Scott P. Stitt	Councilmember - District A
Mr. Oliver Thomas	Councilmember - District B
Mr. Troy Carter	Councilmember - District C
Mr. Martin H. Gossman	Councilmember - District D
Ms. Cynthia Williams-Lewis	Councilmember - District E

The Executive Staff

Mr. Marc H. Morial	Mayor
Mr. Eddie Grant	Chief Administrative Officer
Ms. Thelma French	Executive Assistant
Ms. Cheryl Tustin	Executive Assistant
Mr. Vincent Sylvain	Executive Assistant

The Department Heads

Mr. Mark Early	City Attorney
Ms. Collette Crippell	Director, City Planning
Mr. J. Michael Boyle	Director, Civil Service
Mr. Eric Reed Morris	Director, Finance
Ms. Shelle Webb	Director, Health
Dr. Martin P.K. Jeff, Jr.	Director, Human Resources
Mr. Barry Gokey	Director, Property Management
Mr. Clifford J. Salinas	Director, Public Works
Ms. Charlene Broad	Director, Recreation
Ms. Cynthia Sylvain-Lost	Director, Parking and Ports
Mr. Paul May	Director, Safety and Permits
Ms. Lynn L. Gossard	Director, Sanitation
Mr. Harold Gorman	Director, Sewerage and Water Board
Mr. Lillian Ragan	Director, Utilities
Mr. William McDaniels	Superintendent, Fire
Mr. Richard Pennington	Superintendent, Police

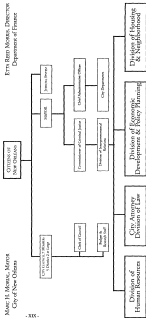
THE CITY OF NEW ORLEANS

Organizational Chart



Edward H. Murray, Mayor
City of New Orleans

Erin Reid Nelson, Director
Department of Finance



THE CITY OF NEW

ORLEANS Department of Finance



MAURICE H. MORRIS, Mayor
City of New Orleans

ERIN REED MORRIS, Director
Department of Finance



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the City Council of the City of New Orleans, Louisiana

We have audited the accompanying general purpose financial statements of the City of New Orleans, Louisiana ("the City") as of December 31, 2001 and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Downtown Development District, the New Orleans Tourism Marketing Corporation, and the New Orleans Economic Development Corporation, which represent 99 percent and 99 percent, respectively, of the assets and revenues of the Governmental Component Units; the Aviation Commission, the Sewerage and Water Board of New Orleans, the French Market Corporation, the Upper Pontalba Building Restoration Corporation and the Canal Street Development Corporation, which represent 76 percent and 74 percent, respectively, of the assets and operating revenues of the Proprietary Component Units; the Fire Fighters' Old System, the Fire Fighters' New System, the Police Old System and the Employees' Retirement System, which represent 73 percent of the assets of the Trust and Agency Funds and 100 percent of the Pension Trust Funds; and the financial statements of the Board of Liquidation, City Debt, which are shown as the Debt Service Fund and represent 49 percent of the liabilities of the General Long-Term Debt Account Group. These financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the Downtown Development District, the New Orleans Tourism Marketing Corporation, the New Orleans Economic Development Corporation, the Aviation Commission, the Sewerage and Water Board of New Orleans, the French Market Corporation, the Upper Pontalba Building Restoration Corporation, the Canal Street Development Corporation, the Fire Fighters' Old System, the Fire Fighters' New System, the Police Old System, the Employees' Retirement System and the Board of Liquidation, City Debt, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, such general purpose financial statements present fairly, in all material respects, the financial position of the City as of December 31, 2001, and the results of its operations and the cash flows of its nonexpendable trust fund and similar discretely presented component units, and changes in plan net assets of its pension trust funds for the

year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the foregoing table of contents, are prepared for the purpose of additional analysis and are not a required part of the general purpose financial statements of the City. These financial statements and schedules are also the responsibility of the management of the City. Such additional information has been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The statistical tables, listed in the foregoing table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such additional information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2002 on our consideration of the City's internal control over financial reporting and its compliance with certain provisions of laws and regulations. That report is an integral part of our audit and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

New Orleans, Louisiana
June 18, 2002

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CITY OF NEW ORLEANS, LOUISIANA

COMBINED BALANCE SHEET

ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

ASSETS	Governmental Fund Types				Fiduciary Fund Type
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
Cash (Note 2)	\$ 15,489	\$ 11,899		\$ 2,173	\$ 32,605
Investments (Note 2)	6,351	34,761	835,497	132,101	708,719
Receivables (net, where applicable, of allowances for uncollectibles):					
Sales taxes	12,140				
Property taxes (Note 3)	13,186				
Franchise taxes	2,342				
Accounts	8,977	833			183
Grants - loans (Note 4)		11,818			
Accrued interest	265				3,388
Grants					
Contribution					328,786
Other					1,046
Due from other funds (Note 8)	18,576	2,800		1,188	2,717
Due from component units (Note 8)	2,221	4		11	58
Due from other governments	3,354	21,364		6,080	826
Due from primary government (Note 8)					
Inventory of supplies					
Prepaid expenses and deposits					
Advances to other funds (Note 8)	292				
Advances to primary governments (Note 8)					
Restricted assets - cash and investments, at cost or amortized cost					
Fixed assets (net, where applicable, of accumulated depreciation) (Note 5)					12
Other assets					
Amounts available in debt service fund					
Amounts to be provided for:					
Retirement of general long-term debt (Note 6)					
Claims and judgments (Note 11)					
Landfill closing costs (Note 11)					
Accrued annual and sick leave					
Payments to BLD for Section 108 loan (Note 6)					
Certificates of indebtedness (Note 6)					
Net pension obligation					
Payment to Auditors Commission (Note 6)					
Payments to BLD and DCL for disallowed costs (Note 6)					
TOTAL ASSETS	\$ 84,899	\$ 83,713	\$ 35,497	\$ 331,682	\$ 879,438

See notes to financial statements.

Account Groups General Fixed Assets	General Long Term Debt	Totals Primary Government (Memorandum Only)	Component Units		Totals Reporting Entity (Memorandum Only)	
			Governmental	Proprietary	2007	2008
		\$ 62,270	\$ 5,935	\$ 39,643	\$ 87,246	\$ 74,253
		893,681	8,284	187,561	1,180,586	1,180,726
		12,149			33,180	30,958
		19,188		693	33,891	99,115
		2,942			2,342	8,260
		18,185	1,572	25,738	37,413	37,228
		13,879			31,819	38,393
		3,684	98	1,820	5,573	7,658
				214	294	297
		328,796			128,796	132,870
		1,044		1,317	2,563	2,773
		27,212			27,212	61,636
		2,389		37	2,326	618
		31,634	1,743		33,417	31,387
				4,892	4,892	3,798
				7,623	7,623	6,812
				2,914	2,914	2,423
		252			252	252
				483	483	483
				270,471	270,471	271,781
\$ 326,888		326,881		1,550,818	3,071,689	1,935,453
		72	2,917	25,132	28,181	26,615
	\$ 35,284	35,284			35,284	35,186
		689,171			689,171	689,483
		127,186			127,186	132,498
		11,383			11,383	33,713
		31,999			31,999	32,339
		28,440			28,440	30,388
		185,585			185,585	137,772
		7,389			7,389	7,389
		1,405			1,405	1,490
	1,000	1,000			1,000	2,140
\$ 326,888	\$ 35,284	\$ 3,701,064	\$ 28,819	\$ 3,188,020	\$ 4,823,726	\$ 4,899,398

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

COMBINED BALANCE SHEET

ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS

DECEMBER 31, 2021 (AMOUNTS IN THOUSANDS)

LIABILITIES, EQUITY AND OTHER CREDITS	Governmental Fund Types				Fiduciary Fund Type
	General	Special Revenues	Debt Service	Capital Projects	Trust and Agency
LIABILITIES:					
Accounts payable	\$ 44,161	\$ 9,667		\$ 4,140	\$ 3,187
Retainages payable				1,000	
Other payables and accruals (Note 6)			\$ 300		171,308
Due to other funds (Note 8)	4,890	18,217		3,499	4,886
Due to primary government (Note 8)					
Due to other governments	1,184	140		1,183	13,523
Due to component units (Note 8)	146	87		1,885	283
Deferred revenues (Notes 3 and 4)	33,627	11,518			
Payable from restricted assets:					
Retainages payable					
Capital projects payable					
Accrued interest					
Limited tax bonds (Note 12)					
Bonds payable, current portion					
Revenue bonds					
Deposits and other					
Claims payable (Notes 6 and 11)					
Advances from other funds (Note 8)		350			
Advances from component units (Note 8)				406	
Certificates of indebtedness (Note 8)					
Lease payable					
Bonds payable:					
General obligation (Note 8)					
Limited tax (Note 12)					
Revenue, less unamortized discount, of \$895					
Refunding					
Other					
Total liabilities	49,338	30,084	300	18,733	188,706
EQUITY AND OTHER CREDITS:					
Contributed capital (Note 12)					
Reversion in general fund assets (Note 3)					
Retained earnings:					
Reserved for:					
Property, plant and equipment					
Debt debt service					
Capital improvements					
Unreserved					
Total retained earnings					
Fund balances:					
Reserved (Note 8)	18,128	1,466	33,364	16,168	672,183
Unreserved					
Designated for subsequent years' expenditures	3,792	15,111		78,798	
Undesignated	2,679	27,011		1,295	8,126
Total fund balances	21,299	43,578	33,364	113,161	680,309
Total equity and other credits	21,299	43,578	33,364	113,161	680,309
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 70,637	\$ 73,662	\$ 63,664	\$ 131,894	\$ 869,015

See notes to financial statements.

CITY OF NEW ORLEANS, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND SIMILAR DISCRETELY PRESENTED COMPONENT UNITS YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES:				
Taxes (Note 7)	\$ 128,708	\$ 6,209	\$ 45,544	
Licenses and permits	61,540			
Intergovernmental	32,881	63,893		\$ 21,140
Charges for services	44,963			
Program interest		1,621		
Fees and forfeits	33,961	3,790		
Interest income (Note 10)	10,134	1,646	3,698	
Contributions, gifts and donations	1,589	664		
Miscellaneous	11,877	13,332	7	3,880
Total revenues	286,653	90,931	49,249	25,020
EXPENDITURES:				
Current:				
General government	174,280	22,544	367	
Public safety	150,824	6,189		
Public works	28,862	487		
Health and human services	32,137	5,763		
Culture and recreation	23,581	1,586		
Urban development and housing	271	31,089		
Economic development and assistance		30,828		
Capital projects				43,176
Debt service:				
Principal retirement	36,340		29,815	
Interest and fiscal charges	77,600		18,559	
Payment to surplus for pension fund (Note 6)				
Other, net				
Total expenditures	403,691	78,026	48,741	43,176
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	(117,038)	12,905	(692)	(18,156)
OTHER FINANCING SOURCES (USES):				
Operating transfers in (Note 8)	32,281	2,293		
Operating transfers from component units (Note 8)	1,180			
Operating transfers out (Note 8)	(2,099)	(32,694)		
Proceeds from bond issuance (Note 4)				21,889
Total other financing sources (uses)	31,362	(30,401)		21,889
(DEFICIENCY) EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(85,676)	1,507	(692)	5,873
FUND BALANCES, BEGINNING OF YEAR (Revised Note 1)	28,276	44,131	35,748	181,267
FUND BALANCES, END OF YEAR	\$ 21,891	\$ 45,638	\$ 35,056	\$ 187,140

See notes to financial statements.

Fiduciary Fund Type	Total Primary Government (Memorandum Only)	Component Units Governmental	Totals Reporting Entity (Memorandum Only)	
Enterprise Trust			2001	2000
	\$ 291,312	\$ 12,344	\$ 300,656	\$ 291,264
	62,548		62,548	57,021
	108,344		108,344	92,978
	44,910		44,910	42,684
	1,825		1,825	976
	13,082		13,082	12,498
\$ 488	15,068	462	15,530	14,669
1,171	2,904		2,904	31,144
	76,194	5,463	81,657	33,334
<u>1,578</u>	<u>344,702</u>	<u>16,269</u>	<u>388,992</u>	<u>383,907</u>
	157,113	8,771	165,882	165,384
	156,868	1,236	158,104	161,903
	68,168		68,168	64,568
	13,500		13,500	16,881
21	26,148	6,749	32,897	30,543
3,187	50,348		50,348	50,580
	18,828		18,828	7,887
	63,176		63,176	26,341
	66,159		66,159	38,787
	36,168		36,168	21,882
		1,502	1,502	170,640
				451
<u>3,188</u>	<u>346,292</u>	<u>17,661</u>	<u>364,352</u>	<u>769,699</u>
<u>(889)</u>	<u>(23,888)</u>	<u>(3,772)</u>	<u>(23,240)</u>	<u>(281,751)</u>
	14,410	300	14,710	16,873
	3,188		3,188	1,180
	(14,710)		(14,710)	(16,873)
	25,688	2,102	27,790	187,721
	25,688	2,102	27,790	188,851
(889)	3,928	4,300	16,323	(4,883)
<u>3,861</u>	<u>218,278</u>	<u>8,673</u>	<u>226,863</u>	<u>201,847</u>
<u>\$ 3,235</u>	<u>\$ 123,188</u>	<u>\$ 12,875</u>	<u>\$ 135,175</u>	<u>\$ 225,851</u>

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT A-3

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ACTUAL (ADJUSTED TO BUDGETARY BASIS) AND BUDGET - GENERAL FUND
YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Actual	Adjusted to Budgetary Basis	General Fund (Note 1)		
			Actual on Budgetary Basis (Non-GAAP)	Revised Budget	Variance Favorable (Unfavorable)
REVENUES:					
Taxes	\$ 209,799	\$ (621)	\$ 209,178	\$ 209,698	\$ -400
Licenses and permits	60,940	90	61,030	66,171	(5,100)
Intergovernmental	11,981		12,190	12,933	(752)
Charges for services	41,883	82	49,069	47,983	(1,000)
Fees and forfeits	15,297		15,267	15,596	(1,000)
Interest income	10,134		18,114	8,896	1,000
Contributions, gifts and donations	1,389		1,369	1,903	(600)
Miscellaneous	11,872	82	12,028	10,996	(1,000)
Total revenues	<u>295,435</u>	<u>(539)</u>	<u>296,064</u>	<u>409,632</u>	<u>(113,568)</u>
EXPENDITURES:					
Current:					
General government	134,306	26,614	160,920	166,699	5,078
Public safety	159,634	(279)	159,355	159,416	(100)
Public works	18,860	(180)	29,214	60,340	3,000
Health and human services	15,117	180	15,297	15,831	340
Culture and recreation	10,690	86	22,485	22,554	1,000
Urban development and housing	271	(2)	270	310	40
Debt service:					
Principal retirement	16,349		16,349	16,349	
Interest and fiscal charges	17,618		17,618	17,618	
Other, net		122	121		(100)
Total expenditures	<u>413,650</u>	<u>26,481</u>	<u>440,812</u>	<u>479,917</u>	<u>10,000</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	<u>(18,215)</u>	<u>(26,700)</u>	<u>(44,748)</u>	<u>(40,000)</u>	<u>(2,000)</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in	12,293		12,294	16,349	(4,000)
Transfers in from component unit	1,188		1,188	758	100
Operating transfers out	(2,108)		(2,108)	(2,108)	
Appropriations from prior year budgetary fund balance			27,697	27,697	
Reduction in prior year's outstanding commitments		8,635	8,636		8,600
Total other financing sources (uses)	<u>7,363</u>	<u>8,635</u>	<u>36,607</u>	<u>41,871</u>	<u>4,000</u>
(DEFICIENCY) EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>10,348</u>	<u>8,935</u>	<u>3,797</u>		
FUND BALANCES, BEGINNING OF YEAR	<u>18,330</u>	<u>2,732</u>	<u>16,993</u>		
LESS APPROPRIATION FROM BEGINNING OF YEAR FUND BALANCE	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>		
FUND BALANCES, END OF YEAR	<u>\$ 8,330</u>	<u>\$ 12,732</u>	<u>\$ 6,993</u>		

See notes to financial statements.

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT A-4

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
NONSPENDABLE TRANSFERS AND SIMILAR DISCREETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Non- Spendable Trust Fund	Total Primary Government (Blasius Fund Only)	Component Units Proprietary Funds	Totals Reporting Entity (Management Only)	
				2001	2000
OPERATING REVENUES:					
Charges for services			\$ 195,811	\$ 195,811	\$ 197,119
Tax revenues (Note 1)			26,714	26,714	26,294
Other	1,111	1,111	1,797	1,797	1,797
Total operating revenues	1,111	1,111	203,322	224,322	225,211
OPERATING EXPENSES:					
Personnel services			65,672	65,672	61,211
Contractual services			105,831	104,911	99,647
Materials and supplies			1,694	1,694	1,891
Depreciation and amortization			64,582	64,582	65,507
Other			5,756	5,756	11,861
Total operating expenses			243,535	242,615	239,117
OPERATING INCOME/(LOSS)	1	1	(12,893)	(18,293)	(13,906)
NONOPERATING REVENUES (EXPENSES):					
Interest revenue			15,670	15,670	16,113
Interest expense			(24,766)	(24,766)	(24,236)
Excluded losses			11,299	11,299	10,163
Grants			2,098	2,098	2,818
Other			25,678	25,678	36,496
Total nonoperating revenues			29,679	29,679	39,354
INCOME BEFORE TRANSFERS	1	1	15,844	10,844	25,348
TRANSFERS OUT TO PRIMARY GOVERNMENT			(12,888)	(12,888)	(13,989)
NET INCOME	1	1	15,844	10,844	25,348
DEPRECIATION ON FIXED ASSETS ACQUIRED BY CONTRIBUTIONS			5,612	5,612	5,731
INCREASE/(DECREASE) EARNINGS/FUND BALANCES	1	1	21,556	21,556	31,069
RETAINED EARNINGS/FUND BALANCES, BEGINNING OF YEAR	202	202	945,495	950,629	931,649
RETAINED EARNINGS/FUND BALANCES, END OF YEAR	203	203	1,067,051	1,072,185	1,062,718

See notes to financial statements.

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT A-6

Page 1 of 3

COMBINED STATEMENT OF CASH FLOWS -
 NONEXPENDABLE TRUST FUND AND SIMILAR DISCREETELY
 PRESENTED COMPONENT UNITS
 YEAR ENDED DECEMBER 31, 2011 (AMOUNTS IN THOUSANDS)

	Non- expendable Trust Fund	Total Primary Government (Memorandum Only)	Component Units Proprietary Funds	Total Reporting Entity (Memorandum Only) 2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ 3	\$ 3	\$ (12,800)	\$ (12,801)	\$ (3,234)
Adjustments to reconcile spending income (loss) to net cash provided by operating activities:					
Depreciation and amortization			64,902	64,902	39,307
Loss on disposal of property			508	500	34
Provision for claims			7,978	7,970	11,411
Provision for doubtful accounts			3,640	3,641	1,871
Changes in current assets and liabilities:					
Taxes receivable			(39)	(39)	(481)
Accounts receivable			(1,481)	(1,481)	(6,135)
Other non-current					
Due from other funds			(123)	(123)	188
Due from primary government			(215)	(214)	66
Inventory			(179)	(214)	(733)
Prepaid expenses and deposits			(784)	(784)	(47)
Other assets			46	46	38
Capital projects payable			288	288	(733)
Accounts payable			4,052	4,052	6,815
Other payables and accounts			(867)	(867)	805
Due to other funds	(18)	(18)	3	3	(28)
Due to primary government			65	65	(713)
Deferred revenues			3	3	12
Increase in inventory of materials and supplies					
Other			(8,158)	(8,208)	(10,792)
Increase in accrued salary/ compensation			(534)	(534)	44
Other revenues - net			3,328	3,328	3,382
Other			(1,833)	(1,833)	(252)
Net cash (used in) provided by operating activities	<u>—(8)</u>	<u>—(8)</u>	<u>24,798</u>	<u>24,788</u>	<u>18,488</u>

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT A-6

Page 2 of 3

COMBINED STATEMENT OF CASH FLOWS -
 NONDEPENDABLE TRUST FUND AND SIMILAR DISCRETELY
 PRESENTED COMPONENT UNITS
 YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Non- dependable Trust Fund	Totals Primary Government (Memorandum Only)	Component Units Proprietary Funds	Totals Reporting Entity (Memorandum Only)	
				2001	2000
CASH FLOWS FROM NONCAPITAL (FINANCING) ACTIVITIES:					
Payment of loans payable			(1000)	(0000)	(1000)
Dedicated loans	—	—	3,048	3,043	3,106
Net cash provided by noncapital financing activities	—	—	3,048	3,043	3,006
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of property and equipment			(112,609)	(112,609)	(88,000)
(Increase) decrease in restricted assets			(50)	(10)	2,090
Decrease in restricted liabilities			(415)	(415)	(340)
Proceeds from property taxes dedicated to construction			3,411	3,411	3,130
Principal paid on bonds			(16,698)	(16,698)	(16,714)
Basis and interest gains			24,134	24,134	26,228
Interest paid on bonds			(23,310)	(23,310)	(23,388)
Grants from Audubon Institute			2,080	2,080	3,818
Proceeds from issuance of bonds			26,368	26,368	47,126
Bond insurance costs			(293)	(293)	(418)
Passenger facilities charges	—	—	32,864	32,864	32,137
Net cash used in capital and related financing activities	—	—	(60,848)	(60,848)	(26,200)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of investments			(508,777)	(508,773)	(648,480)
Proceeds from sale and maturity of investments			514,854	514,854	481,662
Interest and dividends received	—	—	33,341	33,340	37,088
Net cash provided by (used in) investing activities	—	—	31,418	31,417	(29,730)

(Continued)

COMBINED STATEMENT OF CASH FLOWS -
NONEXPENDABLE TRUST FUND AND SIMILAR DISCREETLY
PRESENTED COMPONENT FUNDS
YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Non- expendable Trust Fund	Totals Primary Government (Memorandum Only)	Component Units Proprietary Funds	Totals Reporting Entity (Memorandum Only)	
				2001	2000
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(0)	(0)	3,314	3,308	5,412
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	11	11	25,699	25,718	28,109
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 1)	<u>11</u>	<u>11</u>	<u>29,013</u>	<u>29,026</u>	<u>33,521</u>

See notes to financial statements.

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT A-4

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND
YEAR ENDED 06/30/2009 (11, 1001) IN THOUSANDS

	Fire Fighters' Old Plan System		Puerto Rico System	Employees' Retirement System	Police Primary Development (RETIRED/RECURS) Only	Proprietary Compensation Plan Boarding and Water Board	Total/Reporting Entity (Memorandum Only) 2007 2008 (Revised - Note 1)	
Additions								
CONTRIBUTIONS:								
Employer		\$ 1,611	\$ 391	\$ 6,529	\$ 9,284	\$ 4,548	\$ 14,363	\$189,898
Members		111	7	3,026	4,364	1,391	9,911	1,117
Direct and indirect/ former			82		142		132	146
For insurance-related	\$ 991				951		951	951
Other						\$ 79	879	142
Total contributions	991	1,814	474	9,555	14,781	4,918	31,544	192,254
INVESTMENT INCOME:								
Net (gross income less value of investments)	(1,671)	(1,091)		(11,958)	(60,881)	(8,241)	(82,741)	(7,004)
Interest and dividends	134	1,164	81	10,424	26,141	4,438	37,341	19,884
Other investment income								189
Less investment expenses	(214)	(1,304)	(15)	(1,961)	(2,381)	(81)	(5,461)	(2,811)
Net investment (expense) income	(1,751)	(1,231)	66	(13,495)	(37,721)	(1,884)	(48,881)	8,360
OTHER INCOME			41	8	11		11	40
Total (deductions) additions	(1,611)	(1,166)	101	(13,487)	(11,671)	(1,911)	(18,601)	780,611
Deductions								
Pension benefits	17,471	8,241	134	18,388	69,124	4,631	91,951	68,711
Refunds of member contributions		10		81	84	795	1,116	1,344
Administrative expenses	100	454	111	45	355	1,664	1,695	1,759
Transfer		414		1,254	1,889		1,889	1,211
Total deductions	17,571	9,119	245	19,678	71,394	7,091	94,471	71,021
NET (DECREASE) INCREASE:	(24,240)	(11,986)	116	(33,042)	(24,871)	(1,211)	(68,081)	149,590
NET ASSETS PERIOD Beginning Total (previous to 06/30/08 - 06/30/09) or Year (Revised Note 1)	142,811	181,716	1,628	375,154	781,661	114,478	916,471	761,491
NET ASSETS PERIOD Ending Total (06/30/08 - 06/30/09 - 06/30/09)	\$ 1,088,671	\$ 1,881,716	\$1,744	\$342,112	\$857,791	\$173,267	\$1,965,311	\$981,071

See notes to Financial Statements.

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**NOTES TO
GENERAL PURPOSE
FINANCIAL STATEMENTS**

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CITY OF NEW ORLEANS, LOUISIANA

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of New Orleans, Louisiana (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") for local governmental units as prescribed by the Governmental Accounting Standards Board ("GASB"). The most significant accounting and reporting policies of the City are described in the following notes to the financial statements.

The City was incorporated in 1805. The City's system of government was established by its Home Rule Charter which became effective in 1934 and was amended effective January 1, 1996. The City operates under a Mayor-Council form of government and provides the following types of services as authorized by its charter: public safety, health, streets, sanitation, water and sewerage, planning and zoning, recreation, and general administrative services. Education and welfare are administered by other governmental entities.

The financial statements of the reporting entity include those of the City (the primary government) and its component units in conformity with GASB Statement No. 14, "The Financial Reporting Entity." Component units are legally separate organizations for which the elected officials of the City are financially accountable, or the relationship to the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Component Units - In conformity with GAAP, the financial statements of component units have been included in the financial reporting entity either as blended component units or discretely presented component units. Each blended and discretely presented component unit has a December 31 year-end. Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices.

Blended Component Units - For financial reporting purposes, the Board of Liquidation, City Debt is included (blended) in the operations and activities of the City because it handles all matters relating to the bonded debt of the City. Complete financial statements for this blended component unit may be obtained at the entity's administrative offices.

Discretely Presented Component Units - The general purpose financial statements of the City include all government activities, organizations and functions for which the City appoints a voting majority of the organization governing body, the City is financially accountable, or the relationship to the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The City believes that the exclusion of the financial statements of the following associated organizations would cause the City's financial statements to be misleading or incomplete.

Audubon Commission
 Canal Street Development Corporation
 Downtown Development District
 French Market Corporation
 Municipal Yacht Harbor Management Corporation
 New Orleans Building Corporation
 New Orleans Economic Development Corporation
 Louis Armstrong New Orleans International Airport
 New Orleans Tourism Marketing Corporation
 Orleans Parish Communication District
 Sewerage and Water Board of New Orleans
 Upper Pontalba Building Restoration Corporation

Condensed Financial Statements - The following are condensed financial statements of discretely presented component units disclosed above. Complete financial statements of the individual component units can be obtained directly from their administrative offices.

Condensed Balance Sheet - Governmental Funds (amounts in thousands)

	Downtown Development District	New Orleans Tourism Marketing Corporation	New Orleans Economic Development Corporation	New Orleans Building Corporation	Total
Assets:					
Current assets	\$ 11,264	\$ 3,084	\$ 235	\$ 81	\$ 14,599
Due from other governments	80	1,649	—	34	1,743
Other assets	<u>782</u>	<u>351</u>	<u>3,358</u>	<u>31</u>	<u>4,871</u>
Total assets	\$ 12,296	\$ 4,936	\$ 3,334	\$ 142	\$ 20,606
Liabilities:					
Current liabilities/deferred revenues	\$ 1,892	\$ 2,352	\$ 17	—	\$ 4,259
Due to primary government	<u>2,711</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,711</u>
Total liabilities	4,603	2,352	17	—	6,989
Equity and other credits:					
Investment in general fixed assets	746	98	—	—	834
Fund balance	<u>3,887</u>	<u>2,458</u>	<u>2,711</u>	<u>1,392</u>	<u>11,516</u>
Total equity and other credits	4,633	2,556	2,711	1,392	13,619
Total liabilities, equity and other credits	\$ 12,236	\$ 4,906	\$ 3,118	\$ 1,392	\$ 20,612

Condensed Balance Sheet – Proprietary Funds (amounts in thousands)

	Auditors Commission	Local Airports New Orleans International Airport	Severage and Water Board	Other	Total
Assets:					
Current assets:					
Due from primary governments	\$ 7,544	\$ 34,099	\$ 189,473	\$ 13,312	\$ 244,428
Property, net	315,831	378,919	1,877,463	28,499	2,599,712
Other assets	15,807	79,832	282,834	7,299	385,772
Due from other component units	—	—	—	32	32
Total assets	\$ 339,182	\$ 492,910	\$ 1,469,770	\$ 41,053	\$ 2,342,915
Liabilities:					
Current liabilities/deferred revenues	\$ 12,657	\$ 18,408	\$ 68,427	\$ 2,088	\$ 101,580
Long-term bonds payable	56,540	183,128	148,189	7,798	395,655
Due to other component units	—	—	—	31	31
Due to primary governments/other liabilities	1,023	1,368	182	489	3,062
Total liabilities	\$ 69,220	\$ 202,904	\$ 316,798	\$ 10,406	\$ 589,328
Equity and other credits:					
Unassigned capital	—	186,753	253,429	11,897	452,032
Retained earnings, unassigned	—	31,311	783,543	4,289	819,953
Retained earnings, assigned	38,844	84,887	—	24,293	148,024
Net assets – Pension Trust Fund	—	—	173,399	—	173,399
Total equity and other credits	\$ 369,962	\$ 289,951	\$ 1,137,371	\$ 36,649	\$ 1,813,933
Total liabilities, equity and other credits	\$ 449,182	\$ 492,855	\$ 1,454,169	\$ 47,055	\$ 2,443,261

Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (amounts in thousands)

	Downtown Development District	New Orleans Tourism Marketing Corporation	New Orleans Economic Development Corporation	New Orleans Building Corporation	Total
Revenues	\$ 12,540	\$ 8,808	\$ 308	\$ 580	\$ 22,236
Expenditures	7,484	5,436	538	711	14,169
Excess (deficiency) of revenues over expenditures	5,056	3,372	(230)	(131)	8,067
Fund balance, beginning of year (Restricted Fund 1)	2,024	2,698	2,843	18	6,683
Fund balance, end of year	\$ 8,080	\$ 5,070	\$ 2,613	\$ 100	\$ 14,863

Condensed Statement of Revenues, Expenses, and Changes in Retained Earnings – Proprietary Funds (amounts in thousands):

	Airport Development	Louis Armstrong New Orleans International Airport	Severage and Water Board	Other	Total
Operating revenues	\$ 15,334	\$ 58,358	\$ 102,375	\$ 12,108	\$ 188,175
Tax revenues			36,714		36,714
Operating and other expenses	(17,633)	(28,185)	(186,311)	(9,664)	(181,793)
Depreciation	(6,200)	(22,407)	(34,300)	(1,258)	(64,165)
Operating income (loss)	(8,499)	(1,085)	(2,236)	650	(11,804)
Nonoperating revenues, net	7,884	7,108	8,318	4,815	25,349
Specific grants	3,288				3,288
Transfer out to primary government				(1,108)	(1,108)
Net income (loss)	1,291	4,761	4,387	3,005	13,944
Depreciation on fixed assets acquired by contribution		8,612			8,612
Retained earnings, beginning of year	<u>72,443</u>	<u>81,404</u>	<u>778,113</u>	<u>78,542</u>	<u>985,445</u>
Retained earnings, end of year	<u>\$ 73,734</u>	<u>\$ 94,288</u>	<u>\$ 782,502</u>	<u>\$ 81,547</u>	<u>\$ 989,600</u>

Related and Jointly Governed Organizations

Related organizations and jointly governed organizations provide services within the City that are administered by separate boards or commissions, but the City is not financially accountable, and such organizations are therefore not component units of the City, even though the Mayor and/or City Council may appoint a voting majority of an organization's board. Consequently, financial information for the following entities is not included within the scope of these financial statements.

Related Organizations: For the following organizations, the Mayor and/or City Council appoints a voting majority of the members of the respective boards.

Community Improvement Agency
Housing Authority of New Orleans
Finance Authority of New Orleans
Public Rink Railroad Commission
New Orleans Affordable Home Ownership, Inc.

Jointly Governed Organizations: The City is a participant in other jointly governed organizations. The Mayor and/or City Council appoints members of the boards for the following organizations. Such appointments represent less than a voting majority of the respective boards.

New Orleans Regional Loan Corporation
New Orleans City Park Improvement Association
New Orleans Exhibition Hall Authority
Regional Transit Authority
Regional Planning Commission

Basis of Presentation - The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity and is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures.

The City's charter establishes eight categories of funds to record the City's financial transactions. For financial reporting purposes, the following fund categories (further divided by fund type) and account groups are used by the City:

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental funds:

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by trust funds).

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Trust and Agency Funds - Trust and agency funds include expendable, nonexpendable, pension, trust and agency funds. Nonexpendable and pension trust funds are accounted for in essentially the same manner as proprietary funds (see discussion of proprietary funds under "Component Units" below); their capital maintenance is critical. Expendable trust funds and agency funds are accounted for in essentially the same manner as governmental funds except that agency funds are established to make (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt. They are self-balancing groups of accounts that are concerned only with the measurement of financial position, not with the measurement of results of operations. The following are the City's account groups:

***General Fixed Assets Account Group** - This account group is established to account for fixed assets of the City (primary government only).*

***General Long-Term Debt Account Group** - This account group is established to account for all long-term debt of the City (primary government only).*

Component Units

Component units of the City are accounted for in either governmental funds or proprietary funds based upon their activities and measurement focus.

***Governmental Funds** - Governmental funds are those through which most governmental functions are financed. The measurement focus is upon determination of changes in financial position, rather than determination of net income.*

***Proprietary Funds** - Proprietary funds are used to account for ongoing activities which are similar to those found in the private sector. Such funds are used (a) where the intent of the governing body is that the cost (expense, including depreciation) of providing goods or services to the general public be financed and recovered through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.*

***Prior Period Restatement** - Net assets at the beginning of 2001 for the Firefighters' Pension and Relief Fund of the City of New Orleans - Old System ("Old System") and Firefighters' Pension and Relief Fund of the City of New Orleans - New System ("New System") have been adjusted to correct an error regarding Deferred Retirement Option Plan withdrawals in 2000 and 1999. The effect on net assets at the beginning of 2001 for the Old System and New System is \$673,000 and \$223,000, respectively.*

In 2001, for New Orleans Tourism Marketing Corporation ("NOTMC"), a component unit accounted for as a governmental fund, adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No.33, "Accounting and Financial Reporting for Nonexchange Transactions" by restating fund balance as of December 31, 2000. GASB Statement No.33 provides accounting and reporting standards for the following four (4) categories of nonexchange transactions: Derived Revenues, Imposed nonexchange revenues, Government-mandated nonexchange transactions, and Voluntary nonexchange transactions. NOTMC adopted GASB Statement No.33 by increasing fund balance as of the beginning of 2001 by \$188,808.

***Kind of Accounting** - All governmental funds (including governmental component units), expendable trust and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., both measurable and available). Available means currently due and expected to be collected within the next two months for property taxes and generally the next twelve months for other revenues. Revenues not considered available are recorded as deferred revenues. Significant revenues which are considered susceptible to accrual include sales and franchises.*

tax revenues which are based upon actual collections of December taxes made during January and February of the following year, property taxes, interest, certain charges for services and intergovernmental revenues. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity is reasonably assured. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, vacation and sick leave and claims and judgments which are recognized when paid. Prepaid insurance and similar items are not normally recorded as assets.

Licenses and permits, certain charges for services, fines and forfeits and miscellaneous other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable or available until actually received. Investment earnings are recorded as earned since they are measurable and available.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are essentially two types of such revenues. In one, monies must be expended for the specific purpose or project before any amounts will be reimbursed to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually receivable only for failure to comply with prescribed compliance requirements. Such revenues are recognized at the time of receipt or earlier if the "susceptible to accrual" criteria are met.

All proprietary funds and nonexpendable trust funds and pension trust funds are accounted for on the flow of economic resources measurement basis and use the accrual basis of accounting. Their revenues are recognized when earned, and their expenses are recognized when incurred. Unbilled utility service receivables of the Sewerage and Water Board of New Orleans are not recorded in the general purpose financial statements as management considers the effect of not recording such unbilled receivables to be insignificant in relation to the proprietary component unit financial statements. Under the provisions of GASB Statement No. 30, "Accounting and Financial Reporting for Proprietary Fund Accounting," the City has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Data - The procedures used by the City in establishing the budgetary data recorded in the general purpose financial statements are as follows:

- (1) Not later than November 1, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted, after proper official public notification, to obtain taxpayer comments.
- (3) Not later than December 1, the budget is legally enacted through passage of an ordinance.

- (4) The City's budget ordinance is structured such that revenues are budgeted by source and expenditures are budgeted by department and by principal object classification within a department. The City's Charter provides that expenditures may not legally exceed appropriations either at a departmental level or at the principal object classification within a department.

Budgetary comparisons are presented in the individual fund financial statements at this level of detail. The Mayor's office is allowed to authorize the transfer of budgeted amounts from one budget activity to another within a principal object classification within the same department. Budgetary transfers between principal object classifications of the same department or between departments must be approved by the City Council. Throughout the year several amendments to the budget were made by the City Council. The total effect of these amendments was immaterial. Budgeted amounts reflected in Exhibit A-3 are as finally amended by the City Council. There were no supplemental appropriations necessary during the current year.

- (5) The City utilizes formal budgetary integration as a management control device during the year for the general and capital projects funds. The capital budget ordinance which encompasses the capital projects fund presents cumulative budgets by project as opposed to annual budget amounts; thus, budget and actual comparisons are not reported in the general purpose financial statements for these funds. Formal budgetary integration is not employed for the debt service and special revenue funds because effective budgetary control is alternatively achieved through other provisions.
- (6) The budget, non-GAAP budgetary basis, and actual comparisons presented in Exhibit A-3 in the general purpose financial statements include the general fund. The budget for the general fund is included in the operating budget which is the only legally adopted budget by the City Council.
- (7) The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Actual and Budget (Exhibit A-3) presents comparisons of the legally adopted budget (non-GAAP basis) with actual data on a budgetary basis. In the general fund, accounting principles applied for purposes of developing data on the budgetary basis differ from those used to present financial statements in conformity with GAAP. A reconciliation of this basis and timing differences is presented below (amounts in thousands):

Excess of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ 2,300
Adjustments:	
To adjust revenues for accruals and deferrals	(258)
To reverse December 31, 2004 encumbrances recorded as expenditures on the budgetary basis in 2004	7,873
Appropriations from prior year budgetary fund balance	(27,897)
Reduction in prior year's outstanding encumbrances	(8,636)
To add back prior year's encumbrances paid in 2003, but not recorded as expenditures on the budgetary basis in 2004	(8,832)
To adjust expenditures for accruals	36,491
Other	1,624
Deficiency of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	<u>\$ 10,285</u>

- (8) Unencumbered appropriations lapse at year end. Current year transactions which are directly related to a prior year's budget are not rebudgeted in the current year.

Encumbrances - In accordance with the City's Charter, an encumbrance is established when a valid requisition is properly approved. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the general, special revenue and capital projects funds. Appropriations are valid only for the year in which made. Encumbrances outstanding at year end are reported as reservations of fund balances since the commitments will be honored through subsequent year's budget appropriations. Encumbrances do not constitute expenditures or liabilities on a GAAP basis.

Investments - Investments are stated at fair value.

Component Unit Inventory - Inventory of supplies of the proprietary component units is stated at the lower of cost or market as determined by the first-in, first-out method. Inventory of supplies is charged to expense when consumed.

Advances to Other Funds - Long-term advances to other funds are recorded as a receivable and as a reservation of fund balance in the governmental fund types to indicate that these assets do not constitute "available available financial resources."

Component Unit Restricted Assets - Restricted assets are established in the component unit proprietary funds in accordance with bond indentures.

General Fixed Assets - General fixed assets have been acquired for general governmental purposes of the City as a whole. Assets purchased are recorded as expenditures in the general, special revenue and capital projects funds and are capitalized in the general fixed assets account group. All purchased fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Contributed fixed assets are recorded at estimated fair market value at the time received.

Public domain general fixed assets, consisting of certain improvements other than buildings, including roads, bridges, canals and gutters, streets and sidewalks and lighting systems, are not capitalized, and are not included in the general fixed assets account group. Such assets normally are intangible and of value only to the City; therefore, the purpose of stewardship for these capital expenditures is satisfied without recording such assets.

No depreciation has been provided on general fixed assets, and interest has not been capitalized due to insignificance.

Component Unit Property, Plant and Equipment - Property, plant and equipment associated with the activities of the proprietary component unit funds are recorded as assets of those funds and are stated at historical cost, if purchased, or at fair market value at date of gift, if donated.

Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. The interest cost of borrowed funds used to finance construction projects is capitalized.

For the Louis Armstrong New Orleans International Airport, depreciation recognized on property, plant and equipment acquired through intergovernmental grants, contributions, or shared revenues externally restricted to capital acquisitions, is included as an operating expense and a reduction of contributed capital.

Depreciation is provided over the estimated useful lives using the straight-line method. The estimated useful lives (in years) used for computing depreciation for the City's proprietary component units are as follows:

	Citywide Public Construction (20-40%)	Aviation Commission	Lease Renewing New Orleans International Airport	Sewerage and Water Board	Municipal Yacht Harbor Management Corporation	French Market Corporation	Upper Ferdinand Building Restoration Corporation	Land Trust Corporation
Personal boat launch Crews				100	100			
Roofs, gutters, etc.			5-15					
Buildings and improvements		10-35	3-15	20-37	20-100	10-30	20-40	10
Machinery and equipment	3-15	3-15	3-10	12-40	5	5-10	3-5	
Utility systems			10-15	20-15				

Fully depreciated fixed assets are included in the property, plant and equipment accounts until their disposal. The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts. In the year of sale or retirement, and any resulting gain or loss is recorded in the general purpose financial statements.

Long-Term Liabilities - Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group.

Annual and Sick Leave - All full-time classified employees of the City hired prior to January 1, 1978 are permitted to accrue a maximum of 90 days of vacation (annual leave) and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Employees hired after December 31, 1978 can accrue a maximum of 45 days of annual leave and an unlimited number of days of sick leave. Upon termination of employment, an employee is paid for accrued annual leave based upon his or her current hourly rate of pay and for accrued sick leave on a accrual basis. If termination is the result of retirement, the employee has the option of converting accrued sick leave to additional years of service.

For governmental funds, annual and sick leave expenditures are recorded when paid, and any unpaid current liability is considered to be immaterial to the related governmental funds. Accordingly, the liability related to governmental funds, which amounted to \$51,899,000 at December 31, 2005, is reported in the general long-term debt account group.

Liabilities - Governmental funds recognize claims and judgments as expenditures according to Statement of Financial Accounting Standards No. 5, "Accounting for Contingencies," and National Council on Governmental Accounting Statement No. 4, "Accounting and Financial Reporting for Claims and Judgments and Compensated Absences." Therefore, the amount of expenditures for claims and judgments recorded is the amount accrued during the year that would normally be liquidated with expendable available financial resources. Other liabilities not expected to be liquidated with expendable available financial resources are reported as liabilities in the general long-term debt account group. Estimates of claims and judgment liabilities (both incurred and reported and incurred but not reported) are made through a case-by-case review of all claims and the application of historical experience to the outstanding claims.

Reserves - Reserves are reported in the various funds to indicate that a portion of the fund balance/unrestricted earnings is not appropriate for expenditure/expense or is legally segregated for a specific future use.

Component Debt Tax Revenues - The Sewerage and Water Board of New Orleans includes the operating of the City's drainage system. Because of the peculiar geography of the City, the provision for drainage service is essential for the operation of the water and sewerage systems. The drainage system is financed by property tax levies (recorded as operating revenues), not by user charges, the usual revenue source for a proprietary fund activity. However, because of the unique character of services provided by the drainage system, proprietary fund accounting is necessary to provide meaningful measurement of cost of services and capital maintenance of the system.

Statement of Cash Flows - For purposes of the Statement of Cash Flows, the nonexpendable trust fund and all discretely presented proprietary component units consider all highly liquid investments with an original maturity of ninety days or less when purchased to be cash equivalents. The nonexpendable trust fund cash and cash equivalents totaled of \$3,080 in cash. The discretely presented proprietary component unit accounts are as follows at December 31, 2004 (amounts in thousands):

	Calcasieu Parish Government (District)	Acadian Communities	Louisiana New Orleans International Airport	Sewerage and Water Board	Municipal Water Management Corporation	French Market Corporation	Spine Pontcharre Building Maintenance Corporation	Grand Street Development Corporation	Total
Cash and cash equivalents	\$ 760	\$ 5,867	\$ 4,415	\$ 5,827	\$ 852	\$ 199	\$ 1,286	\$ 2,121	\$ 25,017
Certificates of deposit			8,000						8,000
Restricted cash			127	281	121		1,281		1,710
Cash and cash equivalents per Statement of Cash Flows	<u>\$ 760</u>	<u>\$ 5,867</u>	<u>\$ 12,542</u>	<u>\$ 6,108</u>	<u>\$ 973</u>	<u>\$ 199</u>	<u>\$ 2,467</u>	<u>\$ 2,121</u>	<u>\$ 35,017</u>

Memorandum Totals - Total columns on the general purpose financial statements are captioned "Memorandum Totals" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Reclassification - Certain reclassifications of prior year amounts have been made to conform to the current year's presentation. These reclassifications were made for comparative purposes only and had no effect on fund balances or retained earnings as previously reported.

New Accounting Requirements - The Governmental Accounting Standards Board ("GASB") has adopted new requirements for annual financial statements of state and local government. GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" will significantly change the way governments report their finances to the public. The financial reports prepared under the new system will provide financial information from a total government perspective and will include the following: (1) a financial manager's discussion of the City's financial position and results of previous year's operations, (2) a statement of net assets and a statement of activities displaying all of its assets, liabilities, revenues, and expenses, (3) disaggregated information about the most important or major funds, including the general fund, and (4) a supplementary schedule comparing original, final, and actual information on the budgetary basis for the general fund and major special revenue funds. The City is currently in the process of evaluating the impact that GASB Statement No. 34 will have on its financial statements and is required to adopt the Statement effective January 1, 2002.

GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" became effective for the City in 2001. Application of the statement primarily affected proprietary component units which receive grants from Federal and State sources to subsidize capital improvements. GASB Statement No. 33 requires that such grants be recognized as a component of net income in the statement of revenues and expenses. In prior periods, such grants were recorded as direct increases in contributed capital in the equity section of the balance sheet. The adoption of the statement had no effect on the current or previously reported total equity balances of the proprietary component units. The statement requires that proprietary component units not accrue contributed capital balances arising from periods prior to implementation of GASB 33 until GASB 34 is adopted, which will require restatement of such prior-period balances. As noted elsewhere, the New Orleans Tourism Marketing Corporation, a component unit accounted for as a governmental fund, restated its fund balance as at the beginning of 2001 to retroactively adopt the provisions of GASB 33.

2. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS

Deposits - The City is authorized by state statute to open depositories in only those banks with branch offices within the City's limits.

Cash Equivalents - Cash equivalents consist of government backed pooled funds and commercial paper. The funds are held by the fund's custodian's trust department in the fund's name.

At December 31, 2000, the carrying amount of the City's (primary government only) deposits and cash equivalents were \$233,485,808, and the bank balance was \$177,478,000. The City's bank balance is reclassified below (amounts in thousands) to give an indication of the level of risk assumed by the City at year end. Category 1 includes insured or collateralized cash with securities held by the City or by its agent in the City's name. Category 2 includes collateralized cash with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 includes uncollateralized cash, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name.

	Category			Total
	1	2	3	
Bank balance:				
Cash	\$ 6,316	\$ 79,641	\$ -	\$ 75,157
Cash equivalents		49,722		49,722
Certificates of deposit		<u>114,589</u>		<u>114,589</u>
	<u>\$ 6,316</u>	<u>\$ 238,942</u>	<u>\$ -</u>	<u>\$ 237,476</u>

Investments - Investments in certificates of deposit can be placed with Louisiana state banks or with national banks having their principal offices in the state. State statutes authorize the City, except for the pension trust funds, to invest in U.S. bonds, treasury notes and other federally insured investments. The City also may invest in repurchase agreements secured by U.S. Government obligations. In addition to the above restrictions, the pension trust funds are authorized under State statutes to invest in annuity contracts, equity securities and certain other insured investments.

The City's investments (primary government only) are categorized below (amounts in thousands) to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered, or held by the City as its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution or by its trust department, or agent, but not in the City's name.

	Category			Carrying Amount
	1	2	3	
U.S. Government securities and instruments/notes	\$ 182,873	\$ -	\$ -	\$ 182,873
Corporate bonds	83,046			83,046
Equity securities	497,881			497,881
Notes receivable	11,376			11,376
	<u>\$ 683,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>683,496</u>
Mortgages				<u>42,938</u>
Total investments				<u>\$ 726,434</u>

3. TAX REVENUES

Tax revenues by fund type for the year ended December 31, 2001 are as follows (amounts in thousands):

	General	Special Revenue	Debt Service
Sales	\$ 518,511		
Real and personal property	25,168	\$ 6,228	\$ 45,548
Delinquent tax rollage	47,879		
Fees/charges and interest on delinquent taxes	3,277		
Utilities	13,532		
Debt/charge income	219		
Amusement	2,960		
Parking	2,338		
Documentary transaction	5,687		
Other	<u>858</u>		
	<u>\$ 578,799</u>	<u>\$ 6,228</u>	<u>\$ 45,548</u>

At December 31, 2001, the total sales tax levied in the City is nine percent. Four percent in state sales tax, one and one-half percent is levied by the Orleans Parish School Board (the School Board). One percent is dedicated for transportation and is levied by the Regional Transit Authority (RTA). The remaining two and one-half percent is used to fund the general operations of the City. The City administers and collects the entire five percent of local sales tax. The School Board's portion of the sales tax is accounted for in the Orleans Parish School Board sales tax clearing fund, and the RTA's portion of the sales tax is accounted for in the RTA sales tax clearing fund, both of which are agency funds.

The City levies a tax on real and personal property. Portions of these property taxes are dedicated for fire and police protection services and the public library system. Taxes on real and personal property are levied on January 1 of the assessment year based upon the assessed value as of the prior August 15. However, before the tax can be levied, the tax rolls must be submitted to the State Tax Commission for approval. Taxes are due and payable on January 1, the date on which an enforceable lien attaches on the property, and are delinquent on February 1.

The assessed value of property in the City of New Orleans for each year is determined by an elected Board of Assessors. It is then certified by the Louisiana Tax Commission as complying with the Louisiana Constitution of 1974. The City is permitted by the Louisiana statutes to levy taxes up to \$3.134 per \$1,000 of assessed valuation for general governmental services (including fire and police) other than the payment of principal and interest on long-term debt and other purposes specifically approved by the voters. It is permitted to levy taxes in unlimited amounts for the payment of principal and interest on general obligation bonds of the City.

Property tax levies per \$1,000 of assessed valuation accounted for within the funds of the City (primary government only) for the year ended December 31, 2001 are as follows:

General:	
General governmental services	\$ 14.91
Dedicated for fire and police	6.49
Public library	4.53
Fire and police	18.47
Parkways and parks and recreation department	3.80
Street and traffic control device maintenance	1.90
Special revenue:	
Neighborhood housing improvement fund	1.25
New Orleans economic development fund	1.25
Total special	<u>25.90</u>
	<u>\$ 70.40</u>

Property taxes levied during 2001, collected during 2002, or expected to be collected within the first 60 days of 2003, are recognized as revenues in 2001. Taxes receivable, estimated to be collected subsequent to the first 60 days of 2001, in the amount of \$12,621,808 are recorded as deferred revenues. Prior year levies were recorded using substantially the same principles, and remaining receivables are revaluated annually. Property taxes paid under protest are held in escrow until resolution of the dispute. Amounts collected for other governmental entities are accounted for in the agency funds.

4. GRANT/LOANS

The City has received certain grant awards from the United States Department of Housing and Urban Development (HUD) for the purpose of providing loans to the private sector for completion of projects that will stimulate economic development activity in the City. Thirteen individual loans are outstanding at December 31, 2001 totaling \$21,818,000 which bear interest at rates ranging from 0% to 7%. These loans are receivable over a fifteen to thirty year period and are recorded as deferred revenue within the special revenue fund at December 31, 2001. Once loan payments are received and the project is accepted by HUD, the City may use the amounts received for other allowable economic development activities specified in the grant agreement.

The future maturities of grantee loans receivable as of December 31, 2001, including interest receipts of \$5,213,000, are as follows (amounts in thousands):

Year Ending December 31,	
2002	\$ 790
2003	829
2004	859
2005	889
2006	859
2007 and thereafter	<u>12,500</u>
	<u>\$ 17,606</u>

One of the grantee loans receivable, amounting to \$6,980,000, relates to the development of the Riverfront Marketplace. In addition to the stated interest of 8.50% on this loan, the City participates in 50% of the net annual cash flows of the project. The City's participation interest is receivable 90 days after the project's year end. This brings the cumulative annual effective yield on the loan up to a maximum of 10%. The cumulative annual effective yield on the loan cannot be less than 8.0%. The City will also participate in 50% of the net proceeds of any sale, refinancing, or other disposition of the project, in whole or in part. The Riverfront Marketplace began operations in September 1996.

During 1998, the U.S. Department of Housing and Urban Development agreed to loan to the City \$15,160,000 for the development of the Jaxland Theme Park. These funds were subsequently loaned to Jaxland, Inc. ("Jaxland") and are due from Jaxland in 64 annual installments plus 7.87% interest. During 2001, Jaxland failed to remit to the City a required payment and was in default on its loan as of December 31, 2001. On February 28, 2002, Jaxland filed for bankruptcy under Chapter 11 of the United States Bankruptcy Code. As a result, the City has recorded a reserve for the full amount due from Jaxland to the Grant Recipient Fund. Since the receivable from Jaxland was recorded as deferred revenues, there was no impact on fund balance. The City is currently in negotiations with prospective operators to assume management of the theme park and is exploring certain options to generate cashflows from the theme park that match its debt service on its corresponding HUD loan (see Note 6). Annual debt service on the loan is \$2.4 million through 2017. Any amounts not recorded through rentals or other revenue sources would have to be funded by the general fund.

During 2000, the U.S. Department of Housing and Urban Development agreed to loans to the City \$5,600,000 for the development of the old American Can Factory into apartments. The City subsequently loaned these funds and an additional \$1,340,000 (amount received by the City through Urban Development Action Grants) to Historic Restoration, Inc. ("HRI"). These funds are due from HRI in quarterly installments plus 2% interest. The final payment is due January 1, 2020 with principal payments commencing on April 1, 2003.

5. FIXED ASSETS

A summary of changes in general fixed assets (amounts in thousands) is as follows:

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
Land	\$ 36,835			\$ 36,835
Buildings and improvements	301,632	518,252		819,884
Equipment	66,144	268	97	66,408
Construction in progress	318,855	11,941	18,253	312,543
	<u>\$ 508,719</u>	<u>\$ 532,889</u>	<u>\$ 18,350</u>	<u>\$ 1,023,858</u>

General fixed assets construction in progress is composed of the following, by department (amounts in thousands):

	Project Authorization	Expended in December 31, 2001	Committed
Mayor (CAO)	\$ 89,838	\$ 78,010	\$ 31,880
Police	36,411	18,235	5,856
Fire	33,338	7,746	5,588
Property Management	70,914	64,831	25,883
Recreation	25,732	13,701	18,031
Human Services	4,648	2,839	1,489
Parks and Parkways	29,668	14,407	5,281
Utilities	659	391	384
Public Library	9,699	8,172	1,521
Isaac Delgado Museum	6,483	3,954	499
Sanitation Department	29,391	16,246	2,995
Safety and Permits	1,499	1,819	485
Mosque-Central Board	1,257	1,138	487
Health	5,278	488	2,792
City Planning Commission	4,821	4,315	539
	<u>\$ 297,186</u>	<u>\$ 211,242</u>	<u>\$ 85,262</u>

6. LONG-TERM DEBT

Bond Transactions - The following is a summary of bond transactions for the City for the year ended December 31, 2001 (amounts in thousands):

	Bonds Payable
Bonds payable at January 1, 2001	\$ 648,271
Bonds issued in 2001	25,808
Bonds retired	<u>(25,815)</u>
Bonds payable at December 31, 2001	<u>\$ 648,264</u>

The City's legal debt limit for general obligation bonds is \$788,899,808. At December 31, 2001, the City's legal debt margin (after the reduction for outstanding general obligation bonds and limited tax bonds totaling \$473,085,080, less \$15,294,000 available in Debt Service Funds) was \$300,784,608.

In 2001, the City issued \$29,869,080 in public improvement bonds. These bonds are payable in annual installments ranging from \$669,080 to \$5,925,808 at interest rates ranging from 5% to 7% through 2032. The primary purpose of this debt issuance was to fund the acquisition, construction, improvements and renovation to public buildings and facilities.

Included in bonds payable are The Firefighters' Pension and Relief Fund (P&R System) bonds which were issued in 2000 to fund a portion of the projected unfunded accrued liability for the pension plan. The bonds bear interest at a variable rate (2.45% at December 31, 2004) payable annually, however, the City entered into an interest rate swap agreement over the term of the bonds which resulted in a fixed rate of 6.99%. As of December 31, 2003, \$167,868,000 was recorded as a liability in the general long-term debt account group. This swap terminates in September 2009. The City is exposed to credit loss in the event of nonperformance by the counterparties to the interest rate swap agreements. However, because the City's hedges are structured with counterparties having high credit ratings, the City does not anticipate nonperformance by the counterparties, and, as a result, concentration risk is limited.

Bonds payable at December 31, 2004, are comprised of the following (all bonds are serial bonds):

Description	Original Issue (in thousands of dollars)	Range of Remaining Interest Rates	Amount Outstanding (in thousands of dollars)
General obligation bonds:			
1982/2001 Public Improvement Bonds, due in annual installments ranging from \$123,808 to \$3,825,080 through December 2008	\$342,400	5 to 7	\$ 94,890
1991 General Obligation Refunding Bonds, due in annual installments ranging from \$2,889,080 to \$26,585,000 commencing September 2004 through September 2031	179,883	5.03	155,816
1995 General Obligation Refunding Bonds, due in annual installments ranging from \$1,480,808 to \$25,480,608 through October 1, 2021	167,340	6.03	112,335
1998 General Obligation Refunding Bonds, due in annual installments ranging from \$1,343,860 to \$11,746,804 commencing December 2003 through December 2030	186,528	4.95	182,458
Limited tax bonds:			
1986 Limited Tax Bonds, due in annual installments from \$1,240,808 to \$1,578,080 commencing March 1987 through March 1, 2006	15,808	4.82	8,518
Revenue bonds:			
2000 Taxable Pension Revenue Bonds, due in annual installments from \$3,680,808 to \$7,608,868 commencing December 2004 through December 2038	170,668	6.95	<u>187,868</u>
Total general obligation bonds			<u>\$640,453</u>

The requirements in securing all bonds outstanding as of December 31, 2003, including interest payments of \$746,978,808 are as follows (amounts in thousands):

Year Ending December 31,	General Obligation
2003	\$ 65,186
2003	65,232
2004	65,233
2005	65,380
2006	65,284
2007 - 2011	315,183
2012 - 2016	309,468
2017 - 2025	298,987
2026 - 2030	184,280
2031 - 2039	36,778
	<u>\$1,382,443</u>

The City's debt service fund is held by the Board of Liquidation, City Debt (the Board of Liquidation), an autonomous, self-perpetuating board created under the Louisiana Constitution of 1974. All property taxes levied by the City and dedicated to the payment of outstanding general obligation bonds are collected by the City and, as required by law, paid over to the Board of Liquidation as collected.

The Board of Liquidation usually determines the amount of property tax millage necessary to be levied and collected by the City in the next fiscal year for the payment during each year of principal and interest on all outstanding general obligation bonds of the City, and all such bonds proposed to be issued by the City during each year. The annual determination of the necessary tax millage to service bonds of the City is adopted by resolution of the Board of Liquidation, which is submitted to the City Council. The millage recommended by the Board of Liquidation is then levied by the City Council. The millages for the various limited bonds of the City were established at the time the bonds were issued, based upon approval of the voters.

Administrative expenditures paid in connection with the operations of the Board of Liquidation are recorded in the City's debt service fund.

The various bond indentures contain significant limitations and restrictions, on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum reserve bond coverage. At December 31, 2004, the City is in compliance with all such significant limitations and restrictions.

Advance Refundings - In prior years, the City entered into advance refunding transactions whereby it issued General Obligation Refunding Bonds to effect early retirement of certain General Obligation Bonds. The net proceeds of these refunding bonds were placed in irrevocable escrow accounts and invested in U.S. Treasury obligations that together with interest earned thereon, will provide amounts sufficient for payment of all principal and interest on the refunded bonds. Accordingly, the escrow accounts and the refundable bonds are no longer included on the City's combined balance sheet. Refunded bonds at December 31, 2001 are as follows (amounts in thousands):

1995 General Obligation Bonds	\$ 25,795
1993 Public Improvement General Obligation Bonds	58,585
1993 Public Improvement General Obligation Bonds	31,340
1991A Public Improvement General Obligation Bonds	41,900
1998A Public Improvement General Obligation Bonds	<u>6,385</u>
	<u>\$123,415</u>

Subsequent Events - In January 2002, the City issued \$5,665,000 in revenue refunding bonds for the primary purpose to refund the 1996A and D certificates of indebtedness. These revenue refunding bonds mature on August 1 annually through 2031 and bear interest (ranging from 3% to 4.6%) that is payable on February 1 and August 1 annually, commencing on August 1, 2002.

In January 2002, the City issued 2002C certificates of indebtedness in the amount of \$3,155,000 for the primary purpose to pay general settlements and judgments awarded against the City. These bonds mature on August 1 annually, commencing in 2006, through 2011 and bear interest (ranging from 3.3% to 4.25%) that is payable on February 1 and August 1 annually, commencing on August 1, 2002.

On April 1, 2002, the City of New Orleans issued \$58,415,080 in General Obligation Refunding Bonds. The net proceeds of the bonds were used for the purpose of refunding \$56,134,080 of the City's outstanding Current Interest General Obligation Refunding Bonds Series 1991. The bonds are payable with interest ranging from 5.125% to 5.375% and mature on September 1, 2021.

On April 1, 2002, the City of New Orleans issued \$24,808,080 in Public Improvement Bonds. The bonds were issued for the acquisition, construction, improvements and renovation to public buildings and facilities.

Other General Long-term Debt - The following is a summary of other liabilities recorded in the general long-term debt account group for the year ended December 31, 2001 (amounts in thousands):

	Balance January 1, 2001	Additions	Deletions	Balance December 31, 2001
Claims and judgments (Note 11)	\$ 112,490	\$ 74,664	\$ (59,608)	\$ 127,146
Landfill closing costs (Note 11)	12,701		(1,408)	11,293
Accrued annual and sick leave (Note 1)	32,393		(296)	31,997
Payment due to the Audubon Commission (Note 6)	1,483		(78)	1,405
Certificates of indebtedness (see below)	117,775		(32,199)	85,576
Net pension obligation (Note 7)	7,289			7,289
TRUI-fee-for-service loan (see below)	24,300		(869)	23,431
TRUI and DOL for disallowed costs (see below)	2,141		(1,071)	1,070
Total	\$ 316,369	\$ 74,664	\$ (93,651)	\$ 297,382

The City has entered into contracts for Loan Guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974, with the Secretary of Housing and Urban Development (HUD) as guarantor. Portions of these funds were used to fund junior loans referred to in Note 4. The loans consist of rates bearing interest at either fixed interest rates ranging from 8.30% to 8.75% or variable interest rates based upon the London Interbank Offered Rate (LIBOR). As of December 31, 2001, \$29,400,800 is recorded as a liability in the general long-term debt account group.

The requirements to amortize the Section 108 loans are as follows (amounts in thousands):

Year Ending December 31,	Interest	Principal
2002	\$ 1,360	\$ 910
2003	1,301	1,140
2004	1,766	1,325
2005	1,694	1,385
2006	1,535	1,470
2007 and thereafter	<u>18,718</u>	<u>23,280</u>
Total	\$ 18,464	\$ 28,440

The City has issued \$189,668,000 (\$78,585,080 outstanding at December 31, 2001) in certificates of indebtedness for the primary purpose of refunding the City's Series 1992 certificates of indebtedness. The City's debt obligation incurred in 1992 and additional debt incurred in 1993 under the merger agreement between the Municipal Police Employees' Retirement System and the City's Board of Trustees of the Police Pension Fund. On December 3, 2000, the City issued an additional \$27,608,080 (\$26,698,080 outstanding at December 31, 2001) in certificates of indebtedness. The primary purpose of this debt was to provide funds to the City to pay general settlements and judgments rendered against the City. The certificates bear interest ranging from 3.625% to 6%, payable semiannually. As of December 31, 2001, \$165,185,000 was recorded as a liability in the general long-term debt account group for the aforementioned certificates of indebtedness.

The requirements to amortize the certificate of indebtedness, are as follows (amounts in thousands):

Year Ending December 31,	Interest	Principal
2002	\$ 5,189	\$ 12,345
2003	4,573	9,435
2004	4,196	8,990
2005	3,777	8,775
2006	3,387	8,180
2007 and thereafter	9,781	40,080
Total	\$ 30,783	\$ 89,585

During 1996, the HUD and the Department of Labor (DOL) assessed the City for approximately \$12,080,808 of disallowed costs related to federal financial assistance that the City had received from these entities from 1978 to 1994. As of December 31, 2001, the remaining liability of \$1,879,080 is recorded as a liability in the general long-term debt account group and is due in 2002.

7. PENSION PLANS AND POSTRETIREMENT HEALTHCARE BENEFITS

At December 31, 2004, the City sponsors and administers four separate single-employer, contributory defined benefit pension plans, namely: (1) Firefighters' Pension and Relief Fund - Old System; (2) Firefighters' Pension and Relief Fund - New System; (3) Police Pension Plan (Police Plan); and (4) Employees' Retirement System of the City of New Orleans (Employees' Plan). The Old System covers fire fighters who were employed prior to December 31, 1967. The New System covers fire fighters hired since that date. Effective March 6, 1983, all members of the Police Plan, active and retired, except for approximately 250 participants who did not meet the eligibility requirements, became members of the Municipal Police Employees' Retirement System (State of Louisiana) (MPERS). The Police Plan of the City will remain responsible for the payment of certain benefits due to differences in length of service and age requirements for the participants who were not transferred to the MPERS plan. MPERS is the only cost-sharing, multiple-employer retirement plan in which employees of the City participate. The Employees' Plan covers all City employees other than fire fighters and police.

All four plans use the accrual basis of accounting for operating income and operating expenses. Within this context, interest income is recognized when earned, as are employer and employee contributions, except in the case of the Police Plan which recognizes employer contributions when due from the City.

MPERS Plan Description: On March 6, 1983, an agreement was signed between the City, the Police Pension Fund of the City of New Orleans, and the Municipal Police Employees' Retirement System (MPERS) which provided for the merger of the Police Pension Plan with the MPERS. As of that date, all members of the Police Pension Plan, active and retired, became members of the MPERS. Those members covered by the system who did not meet the age and service requirements of the MPERS will be paid by the Police Pension Fund of the City until they reach age fifty or fifty-five, depending on the length of active service.

Employees become eligible for retirement under the MPERS plan at age fifty, after being a member of the plan for one year and after twenty years of active continuous service. An employee who is age fifty-five becomes eligible for retirement benefits after sixteen years of active continuous service. The plan also provides death and disability benefits. Authority to establish and amend benefit provisions is provided under the laws of the State of Louisiana. The MPERS issues a publicly available financial report that includes financial statements and required supplementary information for the MPERS. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Boulevard, Room 270, Baton Rouge, Louisiana 70809, or by calling (800) 443-4248.

Pending Policy: The contribution rate for MPERS per dollar of payroll is 3.5% and 9%, respectively, for the employee and employer as established by State statute. The City's contributions to the MPERS for the years ended December 31, 2004, 2005 and 2009 were \$4,783,608, \$4,753,608 and \$4,920,808, respectively, equal to the required contributions for each year.

Employees' Plan, Police Plan, Firefighters' Pension and Relief Fund - Old and New System

Descriptions - The City contributes to four single-employer defined benefit pension plans:

Employees' Retirement System of the City of New Orleans, Police Pension Fund of the City of New Orleans, Firefighters' Pension and Relief Fund of the City of New Orleans (New System), and Firefighters' Pension and Relief Fund of the City of New Orleans (Old System). Each plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Authority to establish and amend benefit provisions is provided under the laws of the State of Louisiana. Each plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing or calling the plan.

**Employee's Retirement System
of the City of New Orleans**
2480 Canal Street, Room 342
New Orleans, Louisiana 70119
(504) 836-0485

**Police Pension Fund of the
City of New Orleans**
715 S. Broad, Room 503
New Orleans, Louisiana 70119
(504) 836-2990

**Firefighters' Pension and Relief Fund
of the City of New Orleans (Old and New Systems)**
329 S. Decadeville Street
New Orleans, Louisiana 70119
(504) 820-4671

Pending Policies and Annual Pension Costs - The Employer Contributions for the Employees' Retirement System and the Firefighters' Pension and Relief Fund (New System) are based on actuarially determined amounts. The Employer Contribution for the Police Pension Fund is based on amounts necessary to cover administrative costs and payments of pensions and benefits, as certified by the Board of Trustees of the Fund. The Employer Contribution for the Firefighters' Pension and Relief Fund (Old System) is based on amounts necessary to pay current expenses, and, in effect, is being funded on a "pay-as-you-go" basis. In December 2005, the City issued \$179,660,000 of taxable pension revenue bonds that will fund the projected unfunded account liability of the Firefighters' Pension and Relief Fund (Old System). Employees covered under the Employees' Retirement System contribute 4% of their taxable compensation in excess of \$1,200 per year to the Employees' Retirement System. Employees covered under the Firefighters' Pension and Relief Fund of the City of New Orleans (Old and New Systems) contribute 6% of salary for the first twenty years of employment of those funds.

As a result of the merger contract with the MPERS to transfer all active participants who were participating in the City's Police Pension Fund to MPERS, there were no active participants in the plan and therefore, the only contributions by employees to the plan related to retirees' contributions for the purchase of military service credit. The City's annual pension cost for the current year and related information for each plan is as follows:

Actuarial Methods and Assumptions

	Employee/ Retirement System	Police Pension Fund	Firefighters/ Pension and Relief Fund (Old System)	Firefighters/ Pension and Relief Fund (New System)
Annual pension cost (Thousands)	\$6,378	\$343	\$3,970	\$39,758
Contributions made (Thousands)	\$6,378	\$343	\$3,970	\$39,758
Actuarial valuation date	12/31/00	12/31/00	12/31/00	12/31/00
Actuarial cost method	Frozen Entry Age Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method	Aggregate Actuarial Cost Method
Amortization method	(a)	(b)	Specific number of years - level amount, closed	Specific number of years - level amount, closed
Remaining amortization period	(a)	(b)	12 years	12 years
Asset valuation method	Market Value	Cost which approximates market	Market value	Three year smoothing
Actuarial assumptions				
Investment rate of return	7%	7%	7.5%	7.5%
Projected salary increases	3%	N/A	3%	5%
Projected inflation rate	3.0%	N/A	N/A	N/A

(a) The amortization period, which ends December 31, 2000, is being maintained. Beginning with the January 1, 1992 actuarial valuation, the amortization amount was "frozen" and is equal to the 12 year remaining amortization amount over the period January 1, 1992 through December 31, 2000.

(b) The "Entry Age Normal" cost method was used to calculate the funding requirements of the Fund. Under this cost method, the actuarial present value of projected benefits of each individual included in the valuation is allocated on a level basis as a percentage of payroll for each participant between entry age and assumed retirement age.

Three-Year Trend Information (amounts in thousands)

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Employee's Retirement System	12/31/01	\$ 8,370	100 %	\$ -
	12/31/00	\$ 8,730	100 %	\$ -
	12/31/99	\$ 8,162	100 %	\$ -
Police Pension Fund	12/31/01	\$ 365	100 %	\$ -
	12/31/00	\$ 587	100 %	\$ -
	12/31/99	\$ 626	100 %	\$ -
Firefighters' Pension and Relief Fund (Old System)	12/31/01	\$ 19,758	100 %	\$ 7,389
	12/31/00	\$ 21,437	83 %	\$ 7,389
	12/31/99	\$ 19,006	83 %	\$ 7,758
Firefighters' Pension and Relief Fund (New System)	12/31/01	\$ 3,930	100 %	\$ (777)
	12/31/00	\$ 3,003	112 %	\$ (777)
	12/31/99	\$ 2,888	122 %	\$ (332)

Annual pension cost consists mainly of the actuarially required contribution and interest on the net pension obligation.

Schedule of Funding Progress (amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Assured Liability (RUL) (B)	Excess of Assets Over RUL (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	Excess as a Percentage of Covered Payroll (A-B/C)
Employee's Retirement System						
12/31/99	375,181	319,856	64,325	139.7 %	75,663	85.8 %
12/31/00	373,276	296,943	76,333	125.7 %	76,249	96.1 %
12/31/01	348,791	304,333	44,458	114.6 %	83,379	53.3 %
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Assured Liability (RUL) Entry Age (B)	Excess of Assets Over RUL (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	Excess as a Percentage of Covered Payroll (A-B/C)
Police Pension Fund						
12/31/99	2,304	161	2,143	479.6 %	-	N/A
12/31/00	3,328	199	3,129	898.6 %	-	N/A
12/31/01	3,336	114	3,222	2,905 %	-	N/A

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Excess of Assets Over AAL (c-d)	Funded Ratio (e/f)	Covered Payroll (g)	Excess as a Percentage of Covered Payroll (h/g)(i)
Firefighters' Pension and Relief Fund (Old System)						
12/31/89	9,423	166,898	(157,467)	5.6 %	131	(120,283.87%)
12/31/90	162,358	173,456	(11,098)	94.1 %	44	(23,377.50%)
12/31/91	138,671	179,378	(40,707)	79.98 %	-	N/A

Firefighters' Pension and Relief Fund (New System)

A schedule of funding progress is not required when the aggregate actuarial cost method is used in determining funding requirements because this method does not separately identify an actuarial accrued liability.

Postretirement Healthcare Benefits - In addition to providing pension benefits, the City provides postretirement healthcare benefits, as per City ordinance, for certain retired employees. City employees who have completed 10 years of service and who are eligible to receive pension benefits at the time they terminate employment with the City are eligible to participate in the City's health care plan as retirees. The cost of retirement hospitalization benefits is recognized as an expenditure on a pay-as-you-go basis. For 2004, the cost of providing those benefits for approximately 2,346 retirees was approximately \$12,480,234, of which \$9,554,634 and \$2,637,418 was provided by the City and retirees, respectively.

B. INDIVIDUAL FUND DISCLOSURES

Interfund Receivables and Payables - Individual fund interfund receivables and payables at December 31, 2011 were as follows (amounts in thousands):

	Interfund Receivables	Interfund Payables
General	<u>\$ 79,376</u>	<u>\$ 4,818</u>
Special revenue:		
New Orleans Economic Development	424	
Environmental Improvement	132	
Rivergate Development Corporation	600	3,045
Rivergate Special Fund	56	9
Traffic Court Judicial Expenses		438
Municipal Court Judicial Expenses		380
Department of Safety and Permit - Demolition	7	
Asset Seizure		9
Grant Recipient Funds	88	13,341
Capital Improvement and Infrastructure	1,508	
Pizza Palace Development	1	
Total special revenue	<u>2,806</u>	<u>18,212</u>
Capital projects	<u>1,118</u>	<u>2,458</u>
Trust and agency:		
Non-expendable trusts	1	4
Expendable trusts:		
Delgado-Wilkins Plantation Commission	14	
Isaac Delgado	3	
Sickles Legacy	4	
Blaise Adler Levy Library		9
Agency:		
Cleaning	2,687	3,868
Deposit		77
Insurance	1,808	443
Total trust and agency	<u>4,502</u>	<u>4,395</u>
Component units:		
Municipal Yacht Harbor Management Corporation	33	
Upper Pontchartrain Building Restoration Corporation		33
Total component units	<u>33</u>	<u>33</u>
Total	<u>\$ 83,248</u>	<u>\$ 23,248</u>

Component Unit Receivables and Payables - Receivables and payables with component units at December 31, 2001 were as follows (amounts in thousands):

	Receivables	Payables
General	<u>\$2,721</u>	<u>\$ 140</u>
Special revenue	<u>4</u>	<u>87</u>
Capital projects	<u>11</u>	<u>1,080</u>
Trust and agency:		
Expendable trust	53	30
Clearing	<u>—</u>	<u>246</u>
Total trust and agency	<u>53</u>	<u>286</u>
Component units:		
Downtown Development District		2,713
Sewerage and Water Board of New Orleans	1,669	232
Canal Street Development Corporation	2,669	
Upper Pomfret Building Restoration Corporation		465
French Market Corporation		109
Louis Armstrong New Orleans International Airport	80	1,216
Orleans Parish Communication District		48
Municipal Yacht Harbor Management Corporation	<u>44</u>	<u>—</u>
Total component units	<u>4,393</u>	<u>4,386</u>
Total	<u>\$7,214</u>	<u>\$6,353</u>

Interfund Advances - Individual fund interfund advances at December 31, 2001 were as follows (amounts in thousands):

	Advances to Other Funds	Advances from Other Funds
General	<u>\$ 252</u>	
Special revenue:		
Sidewalk Paving and Repairing		\$ 2
Department of Safety and Ferries - Expendition	<u>—</u>	<u>252</u>
Total special revenue	<u>—</u>	<u>252</u>
Total	<u>\$ 252</u>	<u>\$ 252</u>

Component Debt Advances - Advances between the primary government and its component units at December 31, 2001 were as follows (amounts in thousands):

	Advances to Primary Government	Advances from Component Units
Capital projects Component unit: Municipal Yacht Harbor Management Corporation	\$405	\$405
Total	<u>\$405</u>	<u>\$405</u>

Fund Transfers - Individual fund transfers for the year ended December 31, 2001 were as follows (amounts in thousands):

	Transfers In	Transfers Out
General	<u>\$12,201</u>	<u>\$ 2,238</u>
Special revenue:		
Grant Recipient Funds		308
Environment Improvement	1	
Municipal Court Judicial Expense	1,438	
Traffic Court Judicial Expense	815	
Beverage Development Corporation		<u>12,848</u>
Total special revenue	<u>2,252</u>	<u>12,414</u>
Component unit: New Orleans Building Corporation	<u>308</u>	
Total	<u>\$14,752</u>	<u>\$14,752</u>

Component Debt Transfers - Component unit transfers for the year ended December 31, 2001 were as follows (amounts in thousands):

	Transfers In	Transfers Out
General	<u>\$1,180</u>	
Component unit: French Market Corporation		\$1,000
Upper Pontchartrain Building Association Corporation		<u>180</u>
Total	<u>\$1,180</u>	<u>\$1,180</u>

Airportland Charges for Support Services - Airport charges for support services paid to the general fund during fiscal year 2001 by the Louis Armstrong New Orleans International Airport amounted to \$1,031,000 primarily for overhead reimbursement and fire protection and by the Orleans Parish Communication District amounted to \$543,000 for overhead reimbursement.

The City does not charge the French Market Corporation, the Municipal Yacht Harbor Management Corporation, the Upper Pontalba Building Restoration Corporation, and Canal Street Development Corporation for any support services provided to them. In addition, the City does not charge rent to the Audubon Commission for the land which is owned by the City on which the golf course operates.

Shreeveport Economic Development Agreement- On April 30, 1993, the City, the Board of Commissioners of the Port of New Orleans, and Audubon Commission entered into an agreement titled "Shreeveport Economic Development Agreement" (the Agreement). In accordance with the terms of the Agreement, Audubon Commission paid \$13,000,000 to the Board of Commissioners of the Port of New Orleans. Of this amount \$11,000,000 was from the sale of Audubon Commission's Aquarium Revenue Bonds, Series 1992A, and \$2,000,000 was from self-generated funds of Audubon Commission.

In consideration for the \$11,000,000 payment, Audubon Commission is relieved of all rent or fees due to occupancy pursuant to a Consent and Right of Use Agreement with the Board of Commissioners of the Port of New Orleans. This Consent and Right of Use Agreement, dated October 23, 1993, provided for the development and occupancy of an aquarium and related facilities by the Commission in consideration for stipulated payments of rent and fees over the 99 year term of the Agreement. The \$11,000,000 payment was recorded as prepaid rent and is being amortized over the remaining terms of the consent agreement. Such amount is included in other assets of the Audubon Commission at December 31, 2001.

In consideration for the Audubon Commission's \$2,000,000 payment to the Board of Commissioners of the Port of New Orleans, the City, which became the sole owner of the Rivergate Facility (the site of the City's land-based casino) under the Agreement, agreed to transfer and assign the second \$200,000 of annual net income from the parking facilities at the Rivergate Facility to Audubon Commission for twenty years beginning with the 1992 calendar year. The balance due to the Audubon Commission of \$1,415,000 at December 31, 2001, is recorded in the general long-term debt account group. Revenue parking operations have been discontinued at the Rivergate Facility; the Agreement provides for a lump sum payment to Audubon Commission for the remaining payment discounted at seven percent, or to continue to pay the \$200,000 in monthly installments of \$16,667. \$1,415,000 of the Audubon Commission's \$2,000,000 payment is included in other assets of the Audubon Commission at December 31, 2001. As payments are received from the City of New Orleans, this account is being reduced for that portion of the payment representing return of principal, with the balance credited to interest income.

9. FUND BALANCE RESERVES

Certain fund balance amounts in the following funds have been reserved to indicate a restriction for a particular purpose. Details of the components of reserved fund balance at December 31, 2001 are as follows (amounts in thousands):

	Governmental Fund Types				Fiduciary Fund Type	Total
	General	Special Revenue	Special Services	Capital Projects	Agency	
Excesses/shorts	\$ 15,210	\$ 1,406		\$ 311,160		\$ 427,836
Endowments					\$ 207	207
Long-term advances	210					210
Employer's pension benefits					672,176	672,176
Debt service			\$ 33,264			33,264
Total	\$ 15,420	\$ 1,406	\$ 33,264	\$ 311,160	\$ 672,383	\$ 1,753,533

10. INTEREST INCOME

Interest earned on investments held by the City's capital projects fund, certain special revenue funds (Sidewalk Paving and Repaving, Traffic Court Judicial Expense, Department of Safety and Permit-Demolition, Vision Care Commission and Municipal Court Judicial Expense) and certain agency funds (Clearing and Deposit) is recorded as revenue of the general fund. The amount of interest revenue recorded by the general fund on investments of the capital projects fund for the year ended December 31, 2004, was approximately \$4,219,690.

In addition, interest income on the nonexpendable trust fund is recorded in separate endorsement interest trust funds (expendable trust funds).

11. COMMITMENTS AND CONTINGENCIES

Operating Lease Agreements - The City has commitments under several operating lease agreements for equipment and facilities. These lease agreements are primarily for copier and data processing equipment, and for land and buildings. They are cancellable by the City at any time. However, City management believes that such leases will generally be renewed or replaced each year. Annual cost in 2004 for such operating lease agreements was \$7,346,808.

Claims and Judgments - The City is a defendant in a number of claims and lawsuits alleging, among other things, personal injury, police brutality, wrongful death, over collection of property taxes and improperly designed drainage systems.

Self-Insurance - The City is self-insured for its motor vehicle fleet, general liability, police department excessive force, workers' compensation, hospitalization and unemployment losses and claims.

The City's claims are financed on a "pay-as-you-go" basis for its motor vehicle fleet, general liability and police department excessive force losses. Premiums are charged to the City's various funds for the unemployment and workers' compensation self-insurance programs and to employees and the City's various funds for the hospitalization self-insurance program. Paid claims in excess of such premiums, if any, are funded by the general fund.

As of December 31, 2001, the City has determined, through an analysis of historical experience, the adequacy of the liability necessary to cover all losses and claims, both insured and reported and uninsured but not reported (IBNR), under its self-insurance programs. The liabilities of \$1,385,000 for motor vehicle fleet, \$65,363,808 for general liability and police department excessive force, \$51,118,000 for workers' compensation and \$11,304,000 for hospitalization have been accrued in the general long-term debt account group, in the total amount of \$127,166,808.

Changes to the City's claims liability amounts in fiscal 2004 and 2001 were (amounts in thousands):

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
General Liability and Police Liability:				
2000	79,796	11,000	2,830	87,966
2001	87,966	6,954	31,559	63,361
Workers' Compensation:				
2000	56,512	16,044	12,260	60,296
2001	60,296	24,897	14,117	71,116
Motor Vehicle Fleet:				
2000	597	1,082	458	1,193
2001	1,193	564	564	1,193
Hospitalization and Unemployment:				
2000	11,213	38,600	38,842	30,983
2001	10,992	40,258	41,828	31,314
Total:				
2000	128,268	66,723	55,408	139,583
2001	129,510	74,653	87,668	127,185

Federal Financial Assistance Questioned Costs - The City receives federal financial assistance directly from federal agencies or passed through from other government agencies. Audits of the City's Schedule of Federal Financial Assistance periodically disclosed certain items or transactions as questioned costs. The ultimate resolution or determination as to whether the costs will be disclosed under the affected grants will be made by the various funding sources and cannot be determined at this time.

Landfill Closing Costs - The City owns a closed landfill site located in the eastern portion of the City. State and Federal laws require the City to cap the landfill and to monitor and maintain the site for thirty subsequent years. Additionally, the City owns another landfill site located in the eastern portion of the City. Under State and Federal laws, the operator of this landfill site will be responsible for closing the landfill once its capacity is reached, and the City will be responsible for monitoring and maintaining the site for thirty subsequent years. The City recognizes a portion of the closure and postclosure care costs within the general long-term debt account group in each operating period even though actual payments will not occur until these landfills are capped and closed, respectively. The amount recognized each year to date is based on the landfill's capacities used as of the balance sheet date. As of December 31, 2004, the City had incurred a liability of \$11,583,600 which represents the amount of costs reported to date based on the 100-percent capacity of both landfills.

These amounts are based on what it would cost to perform all closure and postclosure care in 2001. Actual cost may be higher due to inflation, changes in technology, or changes in regulations and may need to be covered by charges from future tax revenue.

Arbitrage - The City has issued tax-exempt bonds which are subject to arbitrage regulations of the Internal Revenue Service which impose restrictions on the use of proceeds from tax-exempt bonds. If certain of these restrictions are not complied with, the bonds could lose their tax-exempt status retroactive to the date of original issuance and also result in the City being subject to arbitrage rebates. The City believes it is in compliance with the arbitrage regulations with respect to all of its tax-exempt bond issues.

II. COMPONENT UNIT DISCLOSURES:

A. Cash and Time Certificates of Deposit

The carrying amount of the governmental and proprietary fund component units' (Component unit) deposits at December 31, 2001 was \$165,561,000, and the bank balance was \$168,562,000. The component unit bank balances are categorized below (amounts in thousands) to give an indication of the level of risk assumed by the component unit at year-end. Category 1 includes insured or collateralized cash with securities held by the component unit or its agent in the component unit's name. Category 2 includes collateralized cash with securities held by the pledging financial institution's trust department or its agent in the component unit's name. Category 3 includes uncollateralized cash, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the component unit's name.

	Category			Total
	1	2	3	
Bank balances:				
Cash and certificates of deposit	<u>\$ 34,260</u>	<u>\$ 131,804</u>	<u>\$ 2,730</u>	<u>\$ 168,794</u>

B. Investments

These investments are categorized below (amounts in thousands) to give an indication of the level of risk assumed by the component unit at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the component unit or its agent in the component unit's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the component unit's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution or by its trust department or agent, but not in the component unit's name.

	Category			Carrying Value
	1	2	3	
U.S. Government securities and instrumentalities	\$ 80,768	\$ 136,481	\$ 4,798	\$ 221,947
Corporate bonds		31,639		31,639
Equity securities		<u>80,651</u>		<u>80,651</u>
	<u>\$ 80,768</u>	<u>\$ 248,171</u>	<u>\$ 4,798</u>	<u>\$ 333,737</u>

Investments of the component units are carried at fair market value. Unrealized gains and losses on investments are reflected in the statement of revenues, expenses, and changes in net assets. The market value of the investment portfolio was less than its cost by approximately \$794,000 at December 31, 2001.

C. Fixed Assets

A summary of proprietary funds component unit property, plant and equipment at December 31, 2001 follows (amounts in thousands):

	General Fund Communi- cation District	Auditors Commission	Louis Armstrong New Orleans International Airport	Sewerage and Water Board	Municipal Police Bureau	Female Medical Center Clinic	Upper Parishes Building Restoration Corporation	Local Board Development Corporation	Total
Plant and tool lease					\$ 1,244				\$ 1,244
Costs				\$ 264,641					\$ 264,641
Buildings, spaces, etc.			\$ 147,040						\$ 147,040
Improvements		\$ 145,651	143,583	264,024	5,583	\$ 11,070	\$ 4,248	\$ 4,401	\$ 484,671
Machinery and equipment	\$ 1,879	15,469	3,486	651,014	93	1,807	113		\$ 673,662
Utility systems			7,796	453,686					\$ 461,482
Land		858				399	33	399	\$ 1,689
	1,879	163,119	453,743	1,264,654	9,926	14,266	4,281	8,380	\$ 1,849,138
Less accumulated depreciation	<u>(2,847)</u>	<u>(145,439)</u>	<u>(143,099)</u>	<u>(643,263)</u>	<u>(2,447)</u>	<u>(14,038)</u>	<u>(3,000)</u>	<u>(2,473)</u>	<u>(814,179)</u>
	1,032	17,680	310,644	621,391	7,479	2,228	1,281	5,907	\$ 1,034,959
Construction rights			44,077	1,079					\$ 45,156
Construction program		4,451	30,000	134,713	113	117			\$ 169,404
Total	<u>\$ 1,032</u>	<u>\$ 175,811</u>	<u>\$ 385,361</u>	<u>\$ 1,261,405</u>	<u>\$ 7,972</u>	<u>\$ 2,345</u>	<u>\$ 1,281</u>	<u>\$ 1,707</u>	<u>\$ 1,546,814</u>

Construction in progress in the proprietary component units consists primarily of renovations to the Louis Armstrong New Orleans International Airport and for Sewerage and Water Board of New Orleans' construction of water, sewerage and drainage systems within the City. Outstanding commitments to complete these construction projects as of December 31, 2000 amounted to approximately \$52,621,000 for the Louis Armstrong New Orleans International Airport.

D. Long-Term Debt

The City is not liable for bonds issued by the Sewerage and Water Board of New Orleans and the Louis Armstrong New Orleans International Airport. Series 1995 Limited Tax bonds issued by the Auditors Commission represent special and limited obligations of the City payable from and secured solely by the proceeds of a special ad valorem tax. The outstanding balance of the Series 1995 bonds at December 31, 2001 was \$15,750,000.

The following represents debt service requirements for all significant component unit bonds outstanding at December 31, 2005. Interest payments for the Sewerage and Water Board of New Orleans, Louis Armstrong New Orleans International Airport and Audubon Commission of \$63,726,080, \$117,051,808 and \$37,040,808, respectively, are included. Amounts (in thousands) shown on individual component unit balance sheets are net of unamortized losses on refunding of \$-0-, \$20,615,808 and \$3,426,808 for the Sewerage and Water Board of New Orleans, Louis Armstrong New Orleans International Airport and Audubon Commission, respectively.

Year Ending December 31,	Audubon Commission	Louis Armstrong New Orleans International Airport	Sewerage and Water Board	Total
2002	\$,849	10,998	14,237	41,684
2003	\$,858	11,091	14,517	41,556
2004	\$,870	11,080	15,130	48,236
2005	\$,853	11,151	15,072	48,076
2006	\$,888	11,323	15,856	48,178
2007 and thereafter	71,249	733,482	189,754	494,881
	<u>\$ 180,512</u>	<u>\$ 328,007</u>	<u>\$ 228,746</u>	<u>\$ 668,135</u>

E. Contributed Capital

The following proprietary funds component units accrued contributed capital in the following amounts as at December 31, 2001: Louis Armstrong New Orleans International Airport, \$189.8 million; Sewerage and Water Board of New Orleans, \$233.4 million; French Market Corporation, \$2.3 million; and Canal Street Development Corporation, \$8.3 million. Total contributed capital across these funds increased in 2001 by \$38.2 million from \$196 million to \$234.2 million. This increase resulted from grants to the New Orleans International Airport and the Sewerage and Water Board of New Orleans from federal and state agencies and the City of New Orleans to finance the cost of construction of airport facilities and for the acquisition of property, plant and equipment, respectively.

F. Wireless E911 Service Implementation and Calculation of Non-direct Wireless Expenditures

In accordance with LRS 33:9401 et seq. and the Legislative Auditor Memorandum dated March 22, 2000, following is a summary of revenues derived from wireless service charges, how such funds were expended, and the progress of Phase I implementation.

As of December 31, 2001:

Total funds for Wireless	<u>\$1,524,708</u>
Expenditures made solely (directly) for Wireless 9-1-1 (These are 100% attributable to wireless 9-1-1)	<u>18,780</u>
Expenditures made solely for wireless (indirectly) 9-1-1 (These are 100% attributable to wireless 9-1-1, including all fee paid to BellSouth for database management, telephone lines, and equipment rentals.)	<u>606,432</u>
Total expenditures made by 9-1-1 for FYE 2001 (This is the total expenditures from the 9-1-1- Income Statement, and includes depreciation of \$181,333)	<u>2,479,760</u>
Net expenditures made by 9-1-1 for FYE 2001 less direct expenditures for wireless and wireless 9-1-1	<u>1,954,498</u>
Percentage of incoming "wireless" calls to 9-1-1- Total of non-direct wireless expenditures	<u>51 %</u> <u>996,708</u>

Status of FCC 94-101 Phase I Implementation

(Filed in accordance with LRS 33:9401 et seq.)

- 1) *Cingular Wireless* - Phase I implemented January 9, 2001.
- 2) *Alltel Corp.* - Phase I implemented September 1, 2001.
- 3) *Sprint* - Phase I implemented January 10, 2002.
- 4) *NexTel* - Phase I implemented May 29, 2002.
- 5) *Telcel* - Cooperative end-user agreement in negotiation, Phase I implemented April 2003.
- 6) *Verizon Wireless* - Cooperative end-user agreement in negotiation, Phase I implemented May 1, 2003.
- 7) *VoiceStream Wireless* - Phase I implemented May 21, 2003.

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**FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS**

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GENERAL FUND

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)**

	Budgeted Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Taxes:			
Real estate	\$ 15,625	\$ 16,141	\$ 516
Personal property	8,632	8,480	(152)
Dedicated ad valorem:			
Police	16,090	16,391	301
Fire	16,283	16,283	-
Library	7,808	7,761	(47)
Recreation	3,318	3,467	149
Parkway	3,318	3,467	149
Streets	5,093	5,218	125
Sales - undedicated	198,489	198,913	424
Fees and interest on delinquent taxes	3,277	3,277	-
Utilities	11,529	11,523	(6)
Chain sales	773	734	(39)
Special real property service charge	-	1	1
Overweight tickets	735	779	44
Amusement	2,561	2,563	2
Off-track betting	568	569	1
Parking	3,558	3,538	(20)
Discretionary transaction	8,818	8,893	75
Racing tax	180	-	(180)
Total taxes	<u>218,685</u>	<u>219,118</u>	<u>433</u>
Licenses and permits:			
Electrical licenses	625	636	11
Air conditioning and gas filter licenses	135	83	(52)
Holding and portable licenses	29	9	(20)
Computational licenses	8,818	8,877	59
Special operating, engineer licenses	1	-	(1)
Stationary engineer licenses	303	30	(273)
Business licenses licenses	418	331	(87)
Service cuts	13	38	25

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -

BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Licenses and permits (continued):			
Franchises:			
Cox Communications	1,480	3,327	1,847
Entergy	31,475	31,313	16
McGraw-Hill Telecommunications	4,190	5,783	1,593
Miscellaneous franchises	2,080	15	(1,965)
Newspaper permits	1,731	1,738	7
Packer tag permits	3,253	3,253	
Building permits	3,530	3,403	(128)
Mayoral permits	330	321	9
Mechanical permits	388	733	345
Taxi and chauffeur permits	682	329	(353)
Massage parlor permits	3		(3)
Mardi Gras parade permits	54	69	14
Medical transportation vehicle permits	30	18	(12)
Freight loading zone	46	34	(12)
Public right-of-way use	170	863	693
Miscellaneous	5,796	313	(5,483)
Total licenses and permits	<u>66,171</u>	<u>62,640</u>	<u>(3,531)</u>
Intergovernmental:			
Federal aid - other	180	79	(101)
Federal National Monuments Environment	131	76	(55)
State Revenue Sharing	2,687	2,687	
State aid - DHR	1,086	1,081	(5)
State aid - public safety		81	81
State aid - other	3,953	4,138	185
Parish transportation fund	3,796	3,796	
Automobile rental tax		64	64

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -

BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Intergovernmental (continued):			
Severance tax		75	75
Orleans Parish Canal District Telephone Tax	428	582	152
Total intergovernmental	13,815	13,581	234
Charges for services:			
Admission charge	18	2	(17)
Commercial disposal charges	68	118	50
Food/Drink commissions	28	22	7
Driving range fees	11	8	(3)
Emergency medical service charge	4,778	4,471	(298)
Sales - maps and documents	62	31	(31)
Fire protection - New Orleans Airport	2,670	2,448	(222)
Grass cutting	180	35	(145)
Grass fees	425	378	(47)
Indirect cost	2,817	1,661	(1,154)
Inspection fees, vacant buildings		1	1
Lines abatement charge		82	82
Park entrance fees	35	1	(34)
Parking meters	1,268	1,486	218
Police and fire services - other	855	1,815	972
Public cemetery burial	74	37	(37)
Sanitation service charges	19,940	20,482	499
Service fees - municipal/parish buildings	56	37	(19)
Tax collection service:			
Levy Board	175	136	(38)
Orleans Parish School Board	1,160	1,228	68
Regional Transit Authority	781	926	145
Loan renewal service	150	97	(53)
Selling books and postcards	40	38	(2)
Data processing services - parish agencies		9	9
Maintenance of state highways	708	581	(127)
Towing and immobilization charges	618	622	4

(Continued)

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Charges for services (continued):			
Utility regulatory fees	3,468	3,617	150
Curbside recycling	2,368	1,800	(567)
Other	1,847	873	(973)
Historical	100	44	(56)
Lakeview and Lake Carmel fees	688	3	(685)
Asphalt sales	99		(99)
Abandoned car-dismant	90		(90)
Total charges for services	<u>47,383</u>	<u>45,940</u>	<u>(1,443)</u>
Fines and forfeits:			
Fines and fees	13,419	14,187	767
Impounded cars	70	34	(36)
Traffic violations	1,200	3,683	2,483
Municipal court fines	135		(135)
Municipal court costs	38		(38)
Liquor fines	311	194	(117)
Administrative adjudication fines		5	5
Total fines and forfeits	<u>15,173</u>	<u>18,003</u>	<u>2,830</u>
Interest income:			
Interest income	8,695	10,114	1,418
Total interest income	<u>8,695</u>	<u>10,114</u>	<u>1,418</u>
Contributions, gifts and donations	<u>1,405</u>	<u>1,282</u>	<u>(123)</u>
Miscellaneous:			
Cash over age		475	475
Workers' compensation subrogation	108	35	(73)
Building and ground rental	1,883	942	(941)
Carpet support service	6,808	2,749	(4,059)
Vending machine royalties		1	1

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT B-1

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GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2021 (AMOUNTS IN THOUSANDS)

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Miscellaneous (continued):			
Parking royalties		2	2
Pay phone royalties	190		(190)
Revenue from gaming fees	3,679	3,679	
Insurance proceeds	132	545	413
Intellectual property proceeds	481	481	
Other	2,021	3,243	(1,222)
Total miscellaneous	<u>18,295</u>	<u>13,819</u>	<u>(4,476)</u>
Total revenues	<u>408,020</u>	<u>396,864</u>	<u>(11,156)</u>
Other financing sources:			
Operating transfers in	16,349	12,201	(4,148)
Transfers in from component units	770	5,160	4,390
Appropriations from prior year budgetary fund balance	22,097	22,097	
Reduction in prior year's outstanding receivables		8,636	8,636
Total other financing sources	<u>44,216</u>	<u>48,094</u>	<u>3,878</u>
Total revenues and other financing sources	<u>\$ 452,236</u>	<u>\$ 444,958</u>	<u>\$ (7,278)</u>

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT B-2

Page 1 of 5

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
General government:			
The Council:			
Personal services	\$ 1,228	\$ 1,965	\$ 737
Other operating expenditures	<u>8,888</u>	<u>8,873</u>	<u>15</u>
	<u>10,116</u>	<u>10,838</u>	<u>722</u>
The Mayor:			
Personal services	10,855	8,555	2,300
Other operating expenditures	<u>32,227</u>	<u>32,212</u>	<u>15</u>
	<u>43,082</u>	<u>40,767</u>	<u>2,315</u>
Department of Law:			
Personal services	3,414	3,166	248
Other operating expenditures	<u>86,273</u>	<u>86,273</u>	<u>0</u>
	<u>89,687</u>	<u>89,439</u>	<u>248</u>
Judicial and parafelical:			
Personal services	3,817	3,508	309
Other operating expenditures	<u>32,873</u>	<u>32,848</u>	<u>25</u>
	<u>36,690</u>	<u>36,356</u>	<u>334</u>
Department of Finance:			
Personal services	8,858	7,801	1,057
Other operating expenditures	<u>7,385</u>	<u>4,415</u>	<u>2,970</u>
	<u>16,243</u>	<u>12,216</u>	<u>4,027</u>
Unaffiliated boards and commissions:			
Personal services	1,388	1,698	310
Other operating expenditures	<u>828</u>	<u>833</u>	<u>5</u>
	<u>2,216</u>	<u>2,531</u>	<u>315</u>

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT B-2

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GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -

BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

YEAR ENDED DECEMBER 31, 2005 (AMOUNTS IN THOUSANDS)

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
General government (continued):			
Department of Civil Service:			
Personal services	1,967	1,881	86
Other operating expenditures	495	373	122
	<u>2,462</u>	<u>2,254</u>	<u>208</u>
General services:			
Personal services	4,687	4,687	
Other operating expenditures	7,012	7,089	(77)
	<u>11,699</u>	<u>11,696</u>	<u>3</u>
Total general government	<u>166,680</u>	<u>166,916</u>	<u>236</u>
Public safety:			
Department of Police:			
Personal services	93,997	93,997	
Other operating expenditures	8,884	8,884	
	<u>102,881</u>	<u>102,881</u>	
Department of Fire:			
Personal services	43,482	43,698	(216)
Other operating expenditures	5,327	1,327	4,000
	<u>48,799</u>	<u>45,025</u>	<u>3,774</u>
Department of Safety and Permits:			
Personal services	2,426	2,473	(47)
Other operating expenditures	190	199	(9)
	<u>2,616</u>	<u>2,672</u>	<u>(56)</u>
Total public safety	<u>154,286</u>	<u>150,583</u>	<u>3,703</u>
Public works:			
Department of Public Works:			
Personal services	9,847	9,682	165
Other operating expenditures	7,980	7,752	228
	<u>17,827</u>	<u>17,434</u>	<u>393</u>

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT D-2

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GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 YEAR ENDED DECEMBER 31, 2021 (AMOUNTS IN THOUSANDS)

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Public works (continued):			
Department of Sanitation:			
Personal services	2,072	2,072	—
Other operating expenditures	<u>29,633</u>	<u>27,963</u>	<u>1,671</u>
	<u>31,725</u>	<u>30,034</u>	<u>1,691</u>
Department of Property Management:			
Personal services	5,718	5,645	73
Other operating expenditures	<u>5,585</u>	<u>5,390</u>	<u>195</u>
	<u>11,302</u>	<u>10,998</u>	<u>304</u>
Department of Utilities:			
Personal services	940	940	—
Other operating expenditures	<u>181</u>	<u>181</u>	—
	<u>1,121</u>	<u>1,121</u>	—
Total public works	<u>62,342</u>	<u>59,114</u>	<u>3,228</u>
Health and human services:			
Department of Health:			
Personal services	8,503	8,388	115
Other operating expenditures	<u>1,813</u>	<u>1,753</u>	<u>60</u>
	<u>10,316</u>	<u>10,141</u>	<u>175</u>
Department of Human Services:			
Personal services	2,005	2,009	28
Other operating expenditures	<u>364</u>	<u>351</u>	<u>13</u>
	<u>2,369</u>	<u>2,360</u>	<u>9</u>
Total health and human services	<u>12,685</u>	<u>12,502</u>	<u>183</u>

(Continued)

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET (NON-GRAP BUDGETARY BASIS) AND ACTUAL
YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Culture and recreation:			
Public Library:			
Personal services	5,845	5,817	28
Other operating expenditures	<u>1,858</u>	<u>1,852</u>	<u>6</u>
	<u>7,703</u>	<u>7,669</u>	<u>34</u>
 Historical District Landmarks Commission:			
Personal services	401	396	5
Other operating expenditures	<u>58</u>	<u>58</u>	<u>0</u>
	<u>459</u>	<u>454</u>	<u>5</u>
 Vieux Carré Commission:			
Personal services	408	408	0
Other operating expenditures	<u>31</u>	<u>34</u>	<u>3</u>
	<u>439</u>	<u>442</u>	<u>3</u>
 Museum of Art:			
Other operating expenditures	<u>225</u>	<u>225</u>	<u>0</u>
	<u>225</u>	<u>225</u>	<u>0</u>
 Parkway and Parks Commission:			
Personal services	6,111	6,575	536
Other operating expenditures	<u>1,434</u>	<u>1,422</u>	<u>12</u>
	<u>7,545</u>	<u>8,007</u>	<u>568</u>
 Department of Recreation:			
Personal services	6,098	6,478	379
Other operating expenditures	<u>1,681</u>	<u>1,458</u>	<u>223</u>
	<u>7,779</u>	<u>7,936</u>	<u>157</u>
 Total culture and recreation:	<u>23,996</u>	<u>27,492</u>	<u>3,496</u>

(Continued)

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -

BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Revised Budget	Actual on Budgetary Basis	Variance - Favorable (Unfavorable)
Urban development and housing, general services - community development:			
Personal services	348	312	36
Other operating expenditures	<u>62</u>	<u>28</u>	<u>34</u>
Total urban development and housing	<u>312</u>	<u>279</u>	<u>42</u>
Debt service:			
Principal	10,348	10,348	
Interest and fiscal charges	<u>77,638</u>	<u>11,618</u>	
Total debt service	<u>31,878</u>	<u>31,878</u>	
Other, net		<u>352</u>	<u>(352)</u>
Total expenditures	<u>490,517</u>	<u>440,852</u>	<u>50,665</u>
Other financing uses:			
Operating transfers out	<u>2,338</u>	<u>2,338</u>	
Total other financing uses	<u>2,338</u>	<u>2,338</u>	
Total expenditures and other financing uses	<u>\$493,256</u>	<u>\$443,191</u>	<u>\$50,065</u>

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. Significant special revenue funds are as follows:

New Orleans Economic Development - Used to account for funds allocated to programs designed to alleviate economic development problems, improve quality of life and provide jobs for the citizens of New Orleans.

Neighborhood Housing Improvement - Used to account for funds allocated to programs which repair and renovate housing in low-income areas.

Environmental Improvement - Used to account for funds received from fines, fees, costs and penalties and allocated to programs designed to improve health, housing and environmental conditions in the City.

Rivergate Special Fund - Used to account for funds received from the Rivergate parking facilities which have been earmarked for payment to the Aviation Commission as per the "Riverfront Economic Development Agreement."

Rivergate Development Corporation - Used to account for and oversee the development of any additions to the land-based casino site and the surrounding properties.

Traffic Court/Judicial Expense - Used to account for monies collected from contempt fines and penalties paid by persons charged with traffic violations and allocated to the proper administration of the court or officers of the individual judges.

Municipal Court/Judicial Expense - Used to account for monies collected from bond forfeitures in connection with the administration of the Municipal Court or in other manners provided by law.

Department of Safety and Permits - Demolition - Used to account for funds allocated to the demolition of buildings or structures.

Music and Entertainment Commission - Used to account for funds allocated for programs designed to attract music and entertainment to the City.

Asset Seizure - Used to account for property confiscated from drug dealers by the police department to be used for crime fighting measures.

Plant a Tree Campaign - Used to account for funds allocated to programs designed for planting and identifying trees, plants and flowers throughout the City.

Municipal Endowment - Car Cable - Used to account for funds allocated for programs related to video or audio community service programming in New Orleans or the arts, humanities and culture of New Orleans.

Capital Improvements and Infrastructure - Used to account for funds allocated for the improvement of infrastructure within the City.

Grant Receipts Funds - Used to account for grants and other state and federal financial assistance.

CITY OF NEW ORLEANS, LOUISIANA

SPECIAL REVENUE FUNDS

COMBINED BALANCE SHEET

DECEMBER 31, 2021 (AMOUNTS IN THOUSANDS)

	National League of Cities	New Orleans Economic Development	Neighborhood Housing Improvement	Environmental Improvement	Rivergate Special Fund	Rivergate Development Corporation
ASSETS						
Cash	\$ 6	\$ 403	\$ 356	\$ 162	\$ 86	\$ 3,488
Investments, at cost or amortized cost		4,957	5,658	880	597	784
Accounts receivable less, where applicable, of allowances for uncollectibles				13		
Grants from receivable						
Due from other funds		404		332		681
Due from other governments						
Due from component units				1		3
TOTAL ASSETS	<u>\$ 6</u>	<u>\$ 5,766</u>	<u>\$ 5,314</u>	<u>\$ 1,085</u>	<u>\$ 683</u>	<u>\$ 4,296</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 3	\$ 42	\$ 48	\$ 3		\$ 1,854
Due to other funds					\$ 4	3,843
Due to other governments						
Deferred revenues						
Advances from other funds						
Due to component units						
Total Liabilities	<u>3</u>	<u>42</u>	<u>48</u>	<u>3</u>	<u>4</u>	<u>4,697</u>
Fund balances:						
Reserved for contingencies		583	348	332	13	171
Unreserved						
Designated for subsequent year's expenditures		184				
Undesignated	4	3,138	4,912	1,815	662	386
Total fund balances	<u>4</u>	<u>3,744</u>	<u>5,178</u>	<u>1,848</u>	<u>675</u>	<u>487</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6</u>	<u>\$ 5,766</u>	<u>\$ 5,314</u>	<u>\$ 1,085</u>	<u>\$ 683</u>	<u>\$ 4,296</u>

Terrace Control Fund	Plaza D'Velle Development	Traffic Court Judicial Expense	Municipal Court Judicial Expense	Streetside Paving and Repairing	Special Event	Adopt a Pothole Program	Department of Safety and Permits - Demolition
\$ 321	\$ 6	\$ 603			\$ 1	\$ 70	\$ 41
31	31	1,186		\$ 1	1		66
		118	\$ 486				281
76	1						7
<u>5 401</u>	<u>\$ 31</u>	<u>\$ 2,369</u>	<u>\$ 486</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 70</u>	<u>\$ 418</u>
\$ 180		\$ 104 458	\$ 29 380				\$ 600
			81	\$ 1			150
180		762	460	1			150
80	\$ 1					\$ 70	
211	10	1,540			\$ 1		75
211	21	1,540			1	70	75
<u>5 411</u>	<u>\$ 31</u>	<u>\$ 2,389</u>	<u>\$ 460</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 70</u>	<u>\$ 418</u>

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

SPECIAL REVENUE FUNDS COMBINED BALANCE SHEET DECEMBER 31, 2021 (AMOUNTS IN THOUSANDS)

	Mayer's Office of Tourism and Arts	Musix and Entertainment Commission	New Orleans Police Department - Crime Prevention	Asset Seizure	New Orleans War on Drugs
ASSETS					
Cash	\$ 57	\$ 63	\$ 1	\$ 164	\$ 8
Investments, at cost or amortized cost		30		180	
Accounts receivable (net, where applicable, of allowances for uncollectibles)					
Grants from receivable					
Due from other funds					
Due from other governments					
Due from non-government units	—	—	—	—	—
TOTAL ASSETS	<u>\$ 57</u>	<u>\$ 93</u>	<u>\$ 1</u>	<u>\$ 344</u>	<u>\$ 8</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable				\$ 66	
Due to other funds				8	
Due to other governments					
Deferred revenues					
Advances from other funds					
Due to non-government units	—	—	—	—	—
Total liabilities	—	—	—	<u>74</u>	—
Fund balances:					
Reserved for contingencies				50	
Unreserved:					
Designated for subsequent years' expenditures					
Undesignated	<u>\$ 57</u>	<u>\$ 93</u>	<u>\$ 1</u>	<u>128</u>	<u>\$ 8</u>
Total fund balances	<u>57</u>	<u>93</u>	<u>1</u>	<u>182</u>	<u>8</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 57</u>	<u>\$ 93</u>	<u>\$ 1</u>	<u>\$ 344</u>	<u>\$ 8</u>

New Orleans Recreation Department	New Orleans Film Commission	New Orleans Special Events	New Orleans Carnival Commission	New Orleans Carnival Restoration	Public Library Donations	Sanitation Recycling
\$ 48	\$ 54	\$ 15	\$ 56	\$ 1	\$ 48	\$ 15
	58	60			50	41
<u>\$ 48</u>	<u>\$ 102</u>	<u>\$ 75</u>	<u>\$ 56</u>	<u>\$ 1</u>	<u>\$ 98</u>	<u>\$ 56</u>
	\$ 30				\$ 1	
	<u>38</u>				<u>1</u>	
		\$ 2				
\$ 48	34	68	\$ 56	\$ 1	83	\$ 56
48	34	75	56	1	83	56
<u>\$ 48</u>	<u>\$ 104</u>	<u>\$ 75</u>	<u>\$ 56</u>	<u>\$ 1</u>	<u>\$ 84</u>	<u>\$ 56</u>

(Continued)

SPECIAL REVENUE FUNDS
COMBINED BALANCE SHEET
DECEMBER 31, 2021 (AMOUNTS IN THOUSANDS)

	Plant & Equipment	Municipal Endowment-Debt Cante	Capital Improvement and Infrastructure	Grant Recipient Funds	Total	
					2021	2020
ASSETS						
Cash	\$ 50	\$ 398	\$ 1,338	\$ 4,080	\$ 11,966	\$ 9,058
Investments, at cost or amortized cost		1,703	3,000	11,734	24,781	27,698
Accounts receivable (net, where applicable, of allowances for uncollectibles)		24			703	1,000
Grants receivable				11,819	11,819	28,192
Due from other funds			1,508	80	2,691	8,600
Due from other governments				21,284	21,284	24,488
Due from component units	—	—	—	—	4	5
TOTAL ASSETS	<u>\$ 50</u>	<u>\$ 3,120</u>	<u>\$ 13,846</u>	<u>\$ 49,927</u>	<u>\$ 83,732</u>	<u>\$ 128,312</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 1			\$ 7,835	\$ 9,887	\$ 3,758
Due to other funds				12,241	35,217	22,518
Due to other governments				142	142	108
Deferred revenues				11,809	11,809	28,292
Advances from other funds					252	212
Due to component units	—	—	—	—	87	124
Total liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>32,127</u>	<u>58,184</u>	<u>76,408</u>
Fund balances:						
Reserved for contingencies	29	\$ 10			1,486	1,379
Unreserved:						
Designated for subsequent years' expenditures				17,087	17,113	19,838
Undesignated	60	3,010	\$ 13,812	—	27,993	72,918
Total fund balances	<u>89</u>	<u>3,120</u>	<u>13,812</u>	<u>37,087</u>	<u>47,596</u>	<u>94,111</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 89</u>	<u>\$ 3,120</u>	<u>\$ 13,812</u>	<u>\$ 49,927</u>	<u>\$ 83,732</u>	<u>\$ 128,312</u>

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CITY OF NEW ORLEANS, LOUISIANA

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	National League of Cities	New Orleans Economic Development	Neighborhood Housing Improvement	Environment Improvement	Rivergate Special Fund	Rivergate Development Corporation
REVENUES:						
Taxes		\$ 2,048	\$ 2,817			
Intergovernmental						
Program income						
Fees and forfeits				\$ 331		
Interest income		218	268			
Contributions, gifts and donations						
Miscellaneous			78			\$ 11,589
Total revenues		<u>2,266</u>	<u>2,312</u>	<u>331</u>		<u>11,589</u>
EXPENDITURES:						
General government						
Public safety						
Public works						
Health and human services				380		
Culture and recreation						
Urban development and housing			1,490			
Economic development and assistance		<u>1,492</u>				<u>492</u>
Total expenditures		<u>1,492</u>	<u>1,490</u>	<u>380</u>		<u>492</u>
Excess (deficiency) of revenues over expenditures		<u>874</u>	<u>819</u>	<u>341</u>		<u>11,097</u>
Other financing sources (uses):						
Operating transfers in				1		
Operating transfers out						<u>(11,049)</u>
Total other financing sources (uses)				<u>1</u>		<u>(11,049)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses		<u>874</u>	<u>819</u>	<u>342</u>		<u>1</u>
FUND BALANCES, BEGINNING OF YEAR	<u>\$ 4</u>	<u>4,487</u>	<u>4,452</u>	<u>1,644</u>	<u>2,678</u>	<u>685</u>
FUND BALANCES, END OF YEAR	<u>\$ 4</u>	<u>\$ 5,361</u>	<u>\$ 5,271</u>	<u>\$ 1,986</u>	<u>\$ 2,678</u>	<u>\$ 686</u>

Termite Control Fund	Plaza District Development	Traffic Court Judicial Expense	Municipal Court Judicial Expense	Highways Paving and Repairing	Special Event	Adopt a Petiole Program	Department of Safety and Permits - Demolition
		\$ 3,091	\$ 231				
\$ 588	—	—	—	—	—	\$ 70	—
<u>588</u>	<u>—</u>	<u>3,091</u>	<u>231</u>	<u>—</u>	<u>—</u>	<u>70</u>	<u>—</u>
		3,478	1,692				
1,167							
<u>1,167</u>	<u>—</u>	<u>3,478</u>	<u>1,692</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
(1,528)	—	(142)	(1,160)	—	—	70	—
—	—	815	1,406	—	—	—	—
—	—	<u>815</u>	<u>1,406</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
(1,518)		488				70	
<u>1,889</u>	<u>\$ 32</u>	<u>1,078</u>	<u>—</u>	<u>—</u>	<u>\$ 3</u>	<u>—</u>	<u>\$ 70</u>
<u>\$ 231</u>	<u>\$ 32</u>	<u>\$ 1,546</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3</u>	<u>\$ 70</u>	<u>\$ 70</u>

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

SPECIAL REVENUE FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Mayer's Office of Tourism and Arts	Masks and Entertain- ment Commission	New Orleans Police Department - Crime Prevention	Asset Balance	New Orleans War on Drugs
REVENUES:					
Taxes					
Intergovernmental					
Program income				\$ 90	
Fines and forfeits				73	
Interest income		\$ 10			
Contributions, gifts and donations	\$ 60				
Miscellaneous	<u>60</u>	<u>10</u>	<u>—</u>	<u>173</u>	<u>—</u>
Total revenues	<u>60</u>	<u>10</u>	<u>—</u>	<u>173</u>	<u>—</u>
EXPENDITURES:					
General government					
Public safety				1,363	
Public works					
Health and human services					
Culture and recreation	3	304			
Urban development and housing					
Economic development and assistance	<u>3</u>	<u>304</u>	<u>—</u>	<u>1,363</u>	<u>—</u>
Total expenditures	<u>3</u>	<u>304</u>	<u>—</u>	<u>1,363</u>	<u>—</u>
Excess (deficiency) of revenues over expenditures	<u>57</u>	<u>(294)</u>	<u>—</u>	<u>(1,190)</u>	<u>—</u>
Other financing sources (uses):					
Operating transfers in					
Operating transfers out	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>57</u>	<u>(194)</u>	<u>—</u>	<u>(1,190)</u>	<u>—</u>
FUND BALANCES, BEGINNING OF YEAR					
	<u>—</u>	<u>296</u>	<u>\$ 1</u>	<u>1,193</u>	<u>\$ 1</u>
FUND BALANCES, END OF YEAR					
	<u>\$ 52</u>	<u>\$ 102</u>	<u>\$ 1</u>	<u>\$ 1,193</u>	<u>\$ 1</u>

New Orleans Recreation Department	New Orleans Film Commission	New Orleans Special Events	Yves Cass Commission	Yves Cass Restoration	Public Library Donations	Sanitation Recycling
	\$ 10	\$ 0			\$ 4	\$ 1
	105				10	
<u> </u>	<u>115</u>	<u>0</u>	<u> </u>	<u> </u>	<u>14</u>	<u>1</u>
	104				140	
<u> </u>	<u>104</u>	<u> </u>	<u> </u>	<u> </u>	<u>140</u>	<u> </u>
<u> </u>	<u>11</u>	<u>0</u>	<u> </u>	<u> </u>	<u>(26)</u>	<u>1</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	13	0			(26)	1
<u>\$.45</u>	<u>81</u>	<u>46</u>	<u>\$.36</u>	<u>\$.1</u>	<u>138</u>	<u>.45</u>
<u>\$.45</u>	<u>\$.84</u>	<u>\$.78</u>	<u>\$.36</u>	<u>\$.1</u>	<u>\$.83</u>	<u>\$.55</u>

(Continued)

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Pilot At-Tree Campaign	Municipal Endowment- Cox Cable	Capital Improvement and Infrastructure	Grant Recipient Funds	Total	
					2001	2000
REVENUES:						
Taxes			\$ 2,173		\$ 8,229	\$ 5,587
Intergovernmental				\$43,033	63,033	64,714
Program income				3,821	3,821	979
Fines and forfeits					3,790	4,347
Interest income	\$ 3	\$ 116	323	453	3,645	1,319
Contributions, gifts and donations	96	96			444	811
Miscellaneous					13,212	12,413
Total revenues	<u>28</u>	<u>285</u>	<u>2,496</u>	<u>60,307</u>	<u>90,815</u>	<u>80,278</u>
EXPENDITURES:						
General government				17,448	22,544	38,823
Public safety		372		4,574	6,308	7,433
Public works				400	400	453
Health and human services				3,416	3,363	3,407
Culture and recreation	16			1,118	1,696	1,696
Urban development and housing				28,296	31,889	31,874
Economic development and assistance				8,963	18,838	7,983
Total expenditures	<u>36</u>	<u>372</u>	<u>—</u>	<u>69,521</u>	<u>79,434</u>	<u>71,899</u>
Excess (deficiency) of revenues over expenditures	<u>22</u>	<u>(166)</u>	<u>2,496</u>	<u>(214)</u>	<u>11,379</u>	<u>18,379</u>
Other financing sources (uses):						
Operating transfers in					2,242	2,313
Operating transfers out				(368)	(13,214)	(14,663)
Total other financing sources (uses)				<u>(368)</u>	<u>(10,972)</u>	<u>(12,350)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>22</u>	<u>(166)</u>	<u>2,496</u>	<u>(582)</u>	<u>1,417</u>	<u>6,029</u>
FUND BALANCES, BEGINNING OF YEAR	<u>68</u>	<u>2,232</u>	<u>1,543</u>	<u>17,298</u>	<u>44,111</u>	<u>38,085</u>
FUND BALANCES, END OF YEAR	<u>\$ 90</u>	<u>\$ 2,166</u>	<u>\$ 18,237</u>	<u>\$ 17,697</u>	<u>\$ 45,828</u>	<u>\$ 44,111</u>

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CITY OF NEW ORLEANS, LOUISIANA

GRANT RECEIPT FUNDS COMBINING BALANCE SHEET DECEMBER 31, 2021 (AMOUNTS IN THOUSANDS)

	Department of Housing and Urban Development	Federal Justice Administration	FBI Office of Justice Programs	Federal Health Administration
ASSETS				
Cash	\$ 308		\$ 200	\$ 378
Investments	2,008		3,874	3
Grants from payables	4,958			
Due from other funds		\$ 1		
Due from other governments	7,148	90		1,351
TOTAL ASSETS	<u>\$12,422</u>	<u>\$ 91</u>	<u>\$3,874</u>	<u>\$2,182</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,009	\$ 34	\$ 88	\$1,104
Due to other funds	5,958	37	209	908
Due to other governments				
Due to component units				
Deferred revenues	<u>4,958</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Liabilities	<u>13,925</u>	<u>71</u>	<u>287</u>	<u>2,112</u>
Fund balances:				
Unassigned				
Designated for subsequent year's expenditures	<u>4,285</u>	<u>—</u>	<u>3,587</u>	<u>84</u>
Total fund balances	<u>4,285</u>	<u>—</u>	<u>3,587</u>	<u>84</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$18,210</u>	<u>\$ 71</u>	<u>\$3,874</u>	<u>\$2,196</u>

Federal Funds	Department of Economic Development	Federal Energy Grant	Federal Department of Agriculture	Louisiana Commission on Law Enforcement	Department of Health and Human Resources	Environmental Protection Agency
\$ 186 6,000 6,000 2 8,000	\$ 33	\$ 19	\$ 169	\$ 798	\$ 62	
		19		11		
				306	152	\$ 308
<u>\$21,292</u>	<u>\$ 33</u>	<u>\$ 38</u>	<u>\$ 169</u>	<u>\$ 1,115</u>	<u>\$ 312</u>	<u>\$ 308</u>
\$ 1,032 3,000	\$ 15	\$ 3		\$ 618 183	\$ 36 328	\$ 1 96
<u>5,000</u>						
<u>10,000</u>	<u>15</u>	<u>3</u>		<u>794</u>	<u>364</u>	<u>100</u>
<u>11,034</u>		<u>31</u>	<u>\$ 202</u>	<u>394</u>		
<u>11,258</u>		<u>31</u>	<u>202</u>	<u>394</u>		
<u>\$22,258</u>	<u>\$ 19</u>	<u>\$ 36</u>	<u>\$ 202</u>	<u>\$ 1,218</u>	<u>\$ 334</u>	<u>\$ 100</u>

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

GRANT RECEIPT FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2011 (AMOUNTS IN THOUSANDS)

	Louisiana Department of Public Safety	Federal Department of Labor	Louisiana Department of Education	Louisiana Department of Agriculture and Forest	Department of Culture, Recreation and Tourism
ASSETS					
Cash			\$ 2	\$ 18	
Receivables					
Grants from other funds			3		\$ 2
Due from other governments	\$ 20	\$ 20	—	4	—
TOTAL ASSETS	\$ 20	\$ 20	\$ 3	\$ 22	\$ 2
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable		\$ 4			
Due to other funds	\$ 20	20		\$ 20	
Due to other governments					
Due to retirement funds					
Deferred revenues	—	—	—	—	—
Total liabilities	20	24	—	20	—
Fund balances:					
Unreserved:					
Designated for subsequent year's expenditures	—	—	\$ 2	—	\$ 2
Total fund balances	—	—	2	—	2
TOTAL LIABILITIES AND FUND BALANCES	\$ 20	\$ 24	\$ 2	\$ 22	\$ 2

Federal Department of Highway Administration	Department of Labor	Department of Resources	Traffic Court	Private Grants	Federal Department of Social Service	Total	
						2007	2008
	\$ 353		\$ 137			\$ 4,080	\$ 4,611
						51,754	50,889
				\$ 1		11,809	33,582
						86	64
\$ 20	2,034	\$ 8	—	—	2,284	21,384	21,080
<u>\$ 20</u>	<u>\$ 2,691</u>	<u>\$ 8</u>	<u>\$ 137</u>	<u>\$ 1</u>	<u>\$ 2,284</u>	<u>\$ 49,121</u>	<u>\$ 77,756</u>
	\$ 503				\$ 13	\$ 1,808	\$ 2,897
\$ 50	2,668	\$ 7			340	52,341	48,311
			\$ 137			143	180
—	—	—	—	—	—	11,809	34,583
<u>20</u>	<u>2,668</u>	<u>7</u>	<u>137</u>	<u>—</u>	<u>340</u>	<u>64,128</u>	<u>60,186</u>
—	—	1	—	\$ 1	—	17,887	17,580
—	—	1	—	1	—	17,000	17,580
<u>\$ 20</u>	<u>\$ 2,668</u>	<u>\$ 8</u>	<u>\$ 137</u>	<u>\$ 1</u>	<u>\$ 340</u>	<u>\$ 49,127</u>	<u>\$ 77,756</u>

(Over/Under)

CITY OF NEW ORLEANS, LOUISIANA

GRANT RECIPIENT FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Department of Housing and Urban Development	Federal Justice Administration	FDJ Office of Justice Programs	Federal Health Administration
REVENUES:				
Intergovernmental	\$ 16,398	\$ 640	\$ 1,000	\$ 18,000
Program income	1,118	—	114	—
Interest income	—	—	—	—
Total revenues	<u>17,516</u>	<u>640</u>	<u>1,114</u>	<u>18,000</u>
EXPENDITURES:				
General government	4,398	620	1,788	18,000
Public safety	2,858	68	688	—
Public works	490	—	—	—
Health and human services	354	—	—	—
Culture and recreation	1,000	—	—	—
Urban development and housing	28,150	—	—	—
Economic development and assistance	—	—	—	—
Total expenditures	<u>37,050</u>	<u>688</u>	<u>2,476</u>	<u>18,000</u>
(Deficiency) excess of revenues and expenditures	<u>(19,534)</u>	<u>—</u>	<u>(1,362)</u>	<u>—</u>
Other financing uses:				
Operating transfers out	—	—	—	—
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
(Deficiency) excess of revenues and other financing uses over expenditures and other financing uses	<u>(19,534)</u>	<u>—</u>	<u>(1,362)</u>	<u>—</u>
FUND BALANCES, BEGINNING OF YEAR:	<u>1,476</u>	<u>—</u>	<u>3,608</u>	<u>83</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,335</u>	<u>\$ —</u>	<u>\$ 2,246</u>	<u>\$ 83</u>

Federal UDAG	Department of Economic Development	Federal Energy Grant	Federal Department of Agriculture	Louisiana Commission on Law Enforcement	Department of Health and Human Resources	Environmental Protection Agency
\$ 126,509			2,363	\$ 1,378	\$ 2,833,177	\$ 68
463			363	1,378	2,889	68
			263	264,721	143	68
463				363	2,889,166	
463			263	1,378	2,889	68
36			161		69	
1,089					1,089	
1,089					1,089	
1,789			161			
11,628		\$ 75	168	364		
\$ 11,628	\$ -	\$ 75	\$ 268	\$ 364	\$ -	\$ -

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

GRANT RECIPIENT FUNDS COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Louisiana Department of Public Safety	Federal Department of Labor	Louisiana Department of Education	Louisiana Department of Agriculture and Forest	Department of Culture, Recreation and Tourism
REVENUES:					
Intergovernmental	\$ 79	\$ 1,000		\$ 4	
Program income					
Interest income					
Total revenues	<u>79</u>	<u>1,000</u>		<u>4</u>	
EXPENDITURES:					
General government					
Public safety	79				
Public works					
Health and human services					
Culture and recreation				1	
Urban development and housing					
Economic development and assistance		<u>1,000</u>			
Total expenditures	<u>79</u>	<u>1,000</u>		<u>1</u>	
(Deficiency) excess of revenues over expenditures				<u>3</u>	
Other financing used:					
Operating transfers out					
Total other financing used					
(Deficiency) excess of revenues and other financing sources over expenditures and other financing used				<u>3</u>	
FUND BALANCES, BEGINNING OF YEAR			<u>1.1</u>	<u>1.1</u>	<u>1.1</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1.1</u>	<u>\$ 1.1</u>	<u>\$ 1.1</u>

Federal Department of Highway Administration	Department of Labor	Department of Resources	Traffic Court	Private Grants	Federal Department of Social Service	Total	
						2081	2080
\$ 90	\$ 6,118	\$ 9	\$ 50		\$ 731	\$ 60,000 1,821	\$ 64,714 899
—	—	—	—	—	—	453	346
— 91	6,118	9	51	—	731	60,800	64,999
		8	50		68	13,418	14,328
						4,074	5,788
						487	458
						3,415	2,586
						5,116	1,685
						28,996	36,312
—	6,118	—	—	—	644	8,560	7,632
— 91	6,118	8	51	—	731	69,321	62,918
—	—	1	—	—	—	(214)	3,352
—	—	—	—	—	—	(166)	(176)
—	—	—	—	—	—	(568)	(138)
		1				(888)	5,776
—	—	—	—	\$ 1	—	12,098	14,418
\$ -	\$ -	\$ 1	\$ -	\$ 1	\$ -	\$ 12,000	\$ 12,000

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TRUST AND AGENCY FUNDS

Pension trust funds are used to account for the accumulation of resources to be used for retirement annuities and death and disability benefits to employees covered by the various plans. Resources are contributed by employees at rates fixed by law, and by the City at amounts determined by actuarial study.

The nonexpendable trust fund is used to account for all monies and all property acquired by donation and to be held intact. Monies are to be invested with the principal remaining intact, and income accounted for in separate expendable trust funds.

Expendable trust funds are used to account for all monies and all property acquired by donation for a designated purpose, not required to be held intact. Significant expendable trust funds are as follows:

Delgado-Alvario Plantation Commission - Used to account for funds generated from the operation of a sugar cane plantation.

Edward Wiener - Used to account for approximately 23,500 acres of land and water bottoms in Jefferson, St. John the Baptist and Lafourche Parishes, Louisiana from the estate of Edward Wiener to the City of NEW ORLEANS, LOUISIANA, as Trustee, for a 100 year charitable trust. The beneficiaries of the trust include the City of NEW ORLEANS, LOUISIANA as beneficiary for several charitable purposes, Charity Hospital of NEW ORLEANS, LOUISIANA, Tulane University and The Salvation Army. Specific portions of the land or the income from the land were also set aside for the establishment and maintenance of specified structures for certain other organizations operating within the City of New Orleans, Louisiana. This trust was created by an Act of Donation dated August 4, 1914.

Donor Delgado Memorial - Used to account for funds which will benefit Delgado Community College.

Ericksen Legacy - Used to account for funds designated to establish a city dispensary for gratuitous dispensing of medicine and medical advice to the poor.

Ernest Rosenheim - Used to account for funds for the purpose of purchasing books for the Public Library.

Helene Adler Levy Library - Used to account for funds for the purpose of establishment and maintenance of the Helene Adler Levy Memorial Room at the New Orleans Public Library.

Agency funds are used to account for all monies held by the City in a custodial capacity. Such monies are recorded as assets and equally offset by liabilities. These funds do not measure revenues, expenditures or expenses. The City's agency funds are as follows:

Clearing Fund - Used to account for money being held pending payment thereof to other funds as provided by law.

Deposit Fund - Used to account for money deposited under any ordinance or contract in connection with the exercise of any right or privilege for the purpose of guaranteeing performance of any obligation.

Esrow Fund - Used to account for money paid to or deposited with any officer, department or board under protest or held subject to the proper determination of the rights of the City.

CITY OF NEW ORLEANS, LOUISIANA

TRUST AND AGENCY FUNDS COMBINING BALANCE SHEET DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

ASSETS	Portion Trust Funds	Nonexpendable Trust Fund	Expendable Trust Funds
Cash	\$ 4,271	\$ 3	\$ 1,212
Investments	538,179	207	1,315
Receivables:			
Accounts			8
Accounts interest	3,388		
Contributions	128,796		
Other	1,646		
Due from other funds		1	36
Due from component units			53
Due from other governments			
Other assets	99		12
TOTAL ASSETS	<u>\$675,891</u>	<u>\$ 211</u>	<u>\$8,418</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 463		\$ 329
Other payables and accruals	3,194		
Due to other funds		\$ 4	3
Due to other governments			
Due to component units			28
Total liabilities	<u>3,657</u>	<u>4</u>	<u>360</u>
FUND BALANCES:			
Reserved for:			
Encumbrances		207	
Employees' pension benefits	612,176		
Unreserved - undesignated			8,256
Total fund balances	<u>612,176</u>	<u>207</u>	<u>8,256</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$675,891</u>	<u>\$ 211</u>	<u>\$8,418</u>

EXHIBIT D-1

Agency Funds			Total	
Clearing	Deposit	Encrow	2005	2006 (Plrestated - Note 1)
\$ 18,519	\$ 3,154	\$ 3,639	\$ 25,312	\$ 45,713
	5,489	157,646	768,719	779,134
67	129		193	169
			3,388	4,339
			138,796	152,833
			1,046	742
3,687		3,808	3,717	12,733
			33	87
786	40		826	848
			73	43
<u>\$ 23,839</u>	<u>\$ 8,794</u>	<u>\$ 164,313</u>	<u>\$ 878,428</u>	<u>\$ 930,672</u>
\$ 1,878	\$ 342	\$ 799	\$ 3,161	\$ 4,293
3,159	6,473	163,478	177,338	200,282
3,868	77	442	4,488	18,778
13,532			13,532	16,169
<u>246</u>			<u>282</u>	<u>162</u>
<u>31,839</u>	<u>6,794</u>	<u>164,313</u>	<u>188,789</u>	<u>243,599</u>
			287	295
			672,176	103,869
			<u>8,256</u>	<u>8,862</u>
			<u>699,679</u>	<u>741,873</u>
<u>\$ 21,839</u>	<u>\$ 6,794</u>	<u>\$ 164,313</u>	<u>\$ 878,428</u>	<u>\$ 930,672</u>

CITY OF NEW ORLEANS, LOUISIANA

PENSION TRUST FUNDS COMBINING STATEMENT OF PLAN NET ASSETS DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

ASSETS	Firefighters'		Police Old Systems
	Old System	New System	
Cash	\$ 2,418	\$ 245	\$ 317
Investments	2,833	178,685	2,899
Receivables:			
Accrued interest	19	1,875	4
Contribution	128,407		
Other	271	759	16
Other assets	<u>31</u>	<u></u>	<u></u>
TOTAL ASSETS	\$ 138,858	\$ 182,545	\$ 3,336
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 15	\$ 232	
Other payables and amounts	<u>400</u>	<u>923</u>	
Total liabilities	<u>415</u>	<u>1,155</u>	<u></u>
FUND BALANCES:			
Reserved for:			
Employers' previous liability	<u>138,471</u>	<u>181,378</u>	<u>\$ 3,336</u>
Total fund balances	<u>138,471</u>	<u>181,378</u>	<u>3,336</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 138,858	\$ 182,543	\$ 3,336

EXHIBIT D-2

Employee's Retirement System	Total	
	2001	2000 (Restated - Note 1)
\$ 1,297	\$ 4,271	\$ 5,396
347,663	358,273	578,934
1,891	3,328	4,590
389	128,798	182,893
	1,848	742
<u>28</u>	<u>55</u>	<u>31</u>
<u>\$ 150,868</u>	<u>\$ 675,833</u>	<u>\$ 734,246</u>

\$ 216	\$ 460	\$ 373
<u>1,861</u>	<u>3,094</u>	<u>1,870</u>
<u>2,077</u>	<u>3,652</u>	<u>2,243</u>
 <u>148,791</u>	 <u>673,178</u>	 <u>732,083</u>
<u>148,791</u>	<u>673,178</u>	<u>732,083</u>
 <u>\$ 150,868</u>	 <u>\$ 675,833</u>	 <u>\$ 734,246</u>

CITY OF NEW ORLEANS, LOUISIANA

EXPENDABLE TRUST FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Dolgero- Allende Plantation Commission	Edward Waller	Institute of Mental Hygiene	Lafayette Music	Place DuFinance- Joan of Arc
ASSETS					
Cash	\$ 313	\$ 567		\$ 4	\$ 8
Investments	3,680	3,594			
Accounts receivable					
Due from other funds	54				
Due from component units	80				
Other assets	33				
TOTAL ASSETS	<u>\$3,452</u>	<u>\$4,161</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 8</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable		\$ 328			
Due to other funds					
Due to component units	\$ 75				
Total liabilities	<u>75</u>	<u>328</u>			
FUND BALANCES:					
Unreserved - undesignated	3,375	3,833		\$ 4	\$ 8
Total fund balances	<u>3,375</u>	<u>3,833</u>		<u>4</u>	<u>8</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$3,452</u>	<u>\$4,161</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 8</u>

EXHIBIT D-3

Simon Hersheim	Kiyanto Club Low Circle Sprinkler System	Ellis West Freeman Foundation	Endowment Income	Total	
				2007	2008
\$ 18	\$ 3	\$ 3	\$ 396	\$1,213	\$ 479
54		4	491	7,117	7,543
			6	6	108
			7	21	844
			13	53	60
				12	12
<u>\$ 72</u>	<u>\$ 3</u>	<u>\$ 7</u>	<u>\$ 753</u>	<u>\$ 8,418</u>	<u>\$ 9,896</u>
			\$ 3	\$ 123	\$ 37
			3	3	148
				34	36
			<u>8</u>	<u>162</u>	<u>221</u>
<u>\$ 72</u>	<u>\$ 3</u>	<u>\$ 7</u>	<u>747</u>	<u>\$ 794</u>	<u>\$ 865</u>
<u>72</u>	<u>3</u>	<u>7</u>	<u>747</u>	<u>\$ 795</u>	<u>\$ 865</u>
<u>\$ 72</u>	<u>\$ 3</u>	<u>\$ 7</u>	<u>\$ 753</u>	<u>\$ 8,418</u>	<u>\$ 9,896</u>

CITY OF NEW ORLEANS, LOUISIANA

EXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Delgado- Atlanta Commission	Edward Wigner	Institute of Mental Hygiene	Lafayette Music	Place DuFrancois- Jean of Arc
REVENUES:					
Contributions, gifts and donations	\$ 147	\$1,009	\$ 3		
Interest income	<u>171</u>	<u>185</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues	<u>318</u>	<u>1,194</u>	<u>3</u>	<u>—</u>	<u>—</u>
EXPENDITURES:					
Health and human services			21		
Culture and recreation	<u>—</u>	<u>2,188</u>	<u>—</u>	<u>2</u>	<u>—</u>
Total expenditures	<u>—</u>	<u>2,188</u>	<u>21</u>	<u>2</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	318	(994)	(18)	(2)	
FUND BALANCES, BEGINNING OF YEAR	<u>3,098</u>	<u>3,003</u>	<u>38</u>	<u>3</u>	<u>3</u>
FUND BALANCES, END OF YEAR	<u>\$3,416</u>	<u>\$2,009</u>	<u>\$ 20</u>	<u>\$ 1</u>	<u>\$ 3</u>

EXHIBIT D-4

Simon Hanshew	Kewanee Club Lee Circle Sprinkler System	Ella West Freeman Foundation	Endowment Income	Total	
				2007	2000
\$ 2				\$ 1,071	\$ 1,073
<u>7</u>			<u>\$ 65</u>	<u>405</u>	<u>512</u>
<u>9</u>			<u>65</u>	<u>1,579</u>	<u>1,585</u>
				20	114
				<u>1,602</u>	<u>1,699</u>
				<u>1,188</u>	<u>1,449</u>
9			65	(305)	134
<u>65</u>	<u>\$ 5</u>	<u>\$ 7</u>	<u>602</u>	<u>1,865</u>	<u>1,719</u>
<u>\$ 12</u>	<u>\$ 5</u>	<u>\$ 7</u>	<u>\$ 747</u>	<u>\$ 1,216</u>	<u>\$ 1,865</u>

CITY OF NEW ORLEANS, LOUISIANA

EXPENDABLE TRUST FUNDS - ENDOWMENT INCOME TRUST FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2021 (AMOUNTS IN THOUSANDS)

	Isaac Delgado Memorial	John McDonogh School	Lafayette Cemetery No. 1 Under Will of Lily Violet	Makella Zimmerman Trust
ASSETS				
Cash	\$ 133	\$ 6	\$ 32	\$ 3
Investments	277	2	2	
Due from other funds	3			
Due from component units				
Accounts receivable	—	—	—	—
TOTAL ASSETS	<u>\$ 413</u>	<u>\$ 8</u>	<u>\$ 34</u>	<u>\$ 3</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	—	—	—	—
Due to other funds	—	—	—	—
Total liabilities	—	—	—	—
FUND BALANCES:				
Unreserved - undesignated	\$ 413	\$ 8	\$ 34	\$ 3
Total fund balances	<u>413</u>	<u>8</u>	<u>34</u>	<u>3</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 413</u>	<u>\$ 8</u>	<u>\$ 34</u>	<u>\$ 3</u>

EXHIBIT D-5

Mrs. Otto Joachim	Sickles Legacy	Helen Adler Levy Library	Total	
			2001	2000
\$ 1	\$ 121		\$ 206	\$ 44
	100	\$ 41	431	617
	4		7	16
	13		15	12
		6	6	7
<u>\$ 1</u>	<u>\$ 247</u>	<u>\$ 47</u>	<u>\$ 753</u>	<u>\$ 692</u>
		\$ 3	\$ 3	\$ 4
		3	3	6
		6	6	18
<u>\$ 1</u>	<u>\$ 247</u>	<u>41</u>	<u>743</u>	<u>692</u>
<u>1</u>	<u>247</u>	<u>41</u>	<u>743</u>	<u>692</u>
<u>\$ 1</u>	<u>\$ 247</u>	<u>\$ 47</u>	<u>\$ 753</u>	<u>\$ 692</u>

CITY OF NEW ORLEANS, LOUISIANA

EXPENDABLE TRUST FUNDS - ENDOWMENT INCOME TRUST FUNDS COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHARGES IN FUND BALANCES YEAR ENDED DECEMBER 31, 2021 (AMOUNTS IN THOUSANDS)

	Isaac Delgado Memorial	John McDonough School	Lafayette Cemetery No. 1 Under Will of Lilly Violet	Mahalia Zimmerman Tomb
REVENUES:				
Interest income	\$ 39	—	\$ 8	—
Total revenues	<u>39</u>	<u>—</u>	<u>8</u>	<u>—</u>
EXCESS OF REVENUES OVER EXPENDITURES	39		8	
FUND BALANCES, BEGINNING OF YEAR	<u>294</u>	<u>\$ 8</u>	<u>—</u>	<u>\$ 3</u>
FUND BALANCES, END OF YEAR	<u>\$433</u>	<u>\$ 8</u>	<u>\$ 14</u>	<u>\$ 3</u>

EXHIBIT D-6

Mrs. Clio Joachim	Sickles Legacy	Helen Adler Library	Total	
			2009	2000
_____	<u>\$ 14</u>	<u>\$ 3</u>	<u>\$ 65</u>	<u>\$ 46</u>
_____	<u>14</u>	<u>3</u>	<u>65</u>	<u>46</u>
	14	3	65	46
<u>\$ 1</u>	<u>273</u>	<u>68</u>	<u>662</u>	<u>616</u>
<u>\$ 1</u>	<u>\$ 247</u>	<u>\$ 41</u>	<u>\$ 747</u>	<u>\$ 662</u>

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT D-2

Page 1 of 2

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
CLEARING FUND				
ASSETS				
Cash	\$ 18,062	\$ 2,235,119	\$ 2,246,093	\$ 18,309
Accounts receivable		87		87
Due from other funds	11,831	8,596	17,681	2,687
Due from other governments	784	2,112	2,320	784
	<u>\$ 41,289</u>	<u>\$ 2,245,622</u>	<u>\$ 2,266,094</u>	<u>\$ 23,892</u>
LIABILITIES				
Accounts payable	\$ 1,641	\$ 305,334	\$ 305,037	\$ 1,638
Other payables and accounts	5,484	1,013,290	1,016,441	2,165
Due to other funds	17,043	5,622	19,685	3,060
Due to other governments	16,189	2,092	4,099	14,222
Due to component units	131	313,361	313,445	265
	<u>\$ 41,289</u>	<u>\$ 1,635,681</u>	<u>\$ 1,635,307</u>	<u>\$ 23,892</u>
DEPOSIT FUND				
ASSETS				
Cash	\$ 3,424	\$ 85,407	\$ 84,687	\$ 3,154
Investments	5,887	32,149	32,886	5,460
Accounts receivable	60	131	61	130
Due from other funds	79		79	
Due from other governments	24	40	24	40
	<u>\$ 8,444</u>	<u>\$ 117,687</u>	<u>\$ 117,637</u>	<u>\$ 8,784</u>
LIABILITIES				
Accounts payable	\$ 307	\$ 2,790	\$ 2,833	\$ 242
Other payables and accounts	7,934	3,157	2,696	8,415
Due to other funds	135	142	178	17
	<u>\$ 8,444</u>	<u>\$ 6,089</u>	<u>\$ 5,607</u>	<u>\$ 8,754</u>

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CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT D-7

Page 2 of 2

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Balance January 1, 2001	Additions	Deductions	Balance December 31, 2001
ESCROW FUND				
ASSETS				
Cash	\$ 4,781	\$ 285,000	\$ 284,123	\$ 5,658
Investments	185,371	142,771	170,696	257,446
Accounts receivable		1,000	1,000	
Due from other funds	37	1,615	79	1,673
	<u>\$190,189</u>	<u>\$ 429,386</u>	<u>\$ 455,898</u>	<u>\$ 564,513</u>
LIABILITIES				
Accounts payable	\$ 1,637	\$ 20,494	\$ 21,956	\$ 185
Other payables and accruals	187,954	26,099	90,317	323,736
Due to other funds	558	671	787	442
Due to component units		1,690	1,690	
	<u>\$190,189</u>	<u>\$ 48,854</u>	<u>\$ 74,743</u>	<u>\$ 564,513</u>
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 35,867	\$2,696,107	\$2,634,872	\$ 37,102
Investments	191,458	175,170	263,942	102,686
Accounts receivable	40	1,188	1,061	187
Due from other funds	11,305	9,446	77,799	3,952
Due from other governments	858	2,252	2,254	856
	<u>\$240,121</u>	<u>\$2,884,163</u>	<u>\$2,979,928</u>	<u>\$194,583</u>
LIABILITIES				
Accounts payable	\$ 3,879	\$ 328,348	\$ 329,848	\$ 2,378
Other payables and accruals	281,353	1,042,438	1,089,614	274,144
Due to other funds	35,614	6,438	20,278	4,779
Due to other governments	36,189	2,852	4,689	13,352
Due to component units	191	301,963	301,448	290
	<u>\$240,121</u>	<u>\$1,681,639</u>	<u>\$1,736,179</u>	<u>\$194,586</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is used to account for fixed assets which are not used in proprietary fund operations or accounted for in trust funds.

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT E-1

SCHEDULE OF GENERAL FIXED ASSETS BY ASSET CLASS AND SOURCE
DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

General fixed assets:	
Land	\$ 30,830
Buildings and improvements	201,674
Equipment	86,409
Construction in progress	<u>201,760</u>
Total general fixed assets	<u>\$ 420,673</u>
Investment in general fixed assets from:	
Special revenue funds	\$ 9,440
Capital projects funds:	
General obligation bonds	203,144
Federal grants	40,410
State grants	23,718
Miscellaneous capital funds	14,835
Gifts	2,966
Miscellaneous revenues	17,878
General fund revenues	56,378
Unidentified sources*	<u>126,214</u>
Total investment in general fixed assets	<u>\$ 420,673</u>

* Purchases prior to January 1, 1963, for which a funding source could not be identified.

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT E-2

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

Function and Activity	Land	Buildings and Improvements	Equipment	Total
General government:				
The Council			\$ 538	\$ 538
The Mayor	\$ 448	\$ 12,580	3,489	16,458
Department of Law			164	164
Judicial and Parole Board			1,085	1,085
Department of Finance			1,767	1,767
Unattached boards and commissions		448	1,558	2,006
Department of Civil Service			180	180
General services			34	34
General government	<u>34,179</u>	<u>85,253</u>	<u>8,738</u>	<u>78,432</u>
Total general government	<u>34,627</u>	<u>85,701</u>	<u>8,738</u>	<u>191,638</u>
Public safety:				
Department of Police	1,888	34,434	29,438	57,738
Department of Fire	993	8,358	12,370	21,943
Department of Safety and Permits		8,188	189	4,318
Total public safety	<u>2,881</u>	<u>42,794</u>	<u>31,997</u>	<u>67,662</u>
Public works:				
Department of Streets		534	31,497	11,746
Department of Sanitation	134	8,464	1,751	8,571
Department of Property Management		8,583	1,329	18,130
Department Utilities				
Total public works	<u>134</u>	<u>13,581</u>	<u>33,827</u>	<u>38,732</u>
Health and Human Services:				
Department of Health	49	8,185	1,493	9,588
Department of Human Services	168	6,242	481	6,993
Total health and human services	<u>209</u>	<u>14,427</u>	<u>1,974</u>	<u>16,739</u>
Culture and recreation:				
Public Library	478	3,224	1,723	8,430
Cultural Commission		5,583	363	5,888
Department of Recreation	<u>12,524</u>	<u>63,248</u>	<u>3,862</u>	<u>80,003</u>
Total culture and recreation	<u>13,002</u>	<u>71,964</u>	<u>5,948</u>	<u>90,913</u>
Urban development and housing:			<u>1,138</u>	<u>1,138</u>
Economic development and assistance:			<u>83</u>	<u>83</u>
Total general fixed assets allocated to functions	<u>58,332</u>	<u>\$213,874</u>	<u>\$66,408</u>	<u>369,138</u>
Construction in progress				<u>211,743</u>
Total general fixed assets				<u>\$580,881</u>

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT B-3

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

Function and Activity	General Fixed Assets January 1, 2001	Additions	Deductions	General Fixed Assets December 31, 2001
General government:				
The Council	\$ 520			\$ 520
The Mayor	16,658			16,658
Department of Law	164			164
Judicial and Parochial	3,095			3,095
Department of Finance	3,761	\$ 0		3,767
Unaffiliated boards and commissions	2,083			2,083
Department of Civil Service	93	17		110
General services	34			34
General government	79,432			79,432
Total general government	<u>100,540</u>	<u>17</u>		<u>100,629</u>
Public safety:				
Department of Police	33,785	36		33,731
Department of Fire	16,408	2,585		21,943
Department of Safety and Permits	4,233	64	\$ 78	4,189
Total public safety	<u>54,426</u>	<u>2,685</u>	<u>78</u>	<u>67,033</u>
Public works:				
Department of Streets	11,725	21		11,746
Department of Sanitation	6,171			6,271
Department of Property Management	7,455	2,603		10,130
Department Utilities				
Total public works	<u>25,351</u>	<u>2,624</u>		<u>33,727</u>
Health and human services:				
Department of Health	9,896			9,896
Department of Human Services	6,984	39		6,933
Total health and human services	<u>16,880</u>	<u>39</u>		<u>16,799</u>
Culture and recreation:				
Public Library	9,271	129		9,400
Cultural Commission	5,888			5,888
Department of Recreation	24,949	5,046		30,005
Total culture and recreation	<u>30,108</u>	<u>5,275</u>		<u>35,383</u>
Urban development and housing	<u>1,130</u>			<u>1,130</u>
Economic development and assistance	<u>83</u>			<u>83</u>
Construction in progress	<u>210,669</u>	<u>11,040</u>	<u>18,252</u>	<u>211,747</u>
Total general fixed assets	<u>\$386,722</u>	<u>\$32,466</u>	<u>\$18,252</u>	<u>\$400,936</u>

DEBT SERVICE REQUIREMENTS

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT F-1

SCHEDULE OF GENERAL BONDED SERVICE REQUIREMENTS UNTIL MATURITY
DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

Year	General Obligations Bonds	
	Principal	Interest
2002	\$ 32,310	\$ 32,858
2003	34,375	36,857
2004	34,764	40,518
2005	32,114	43,086
2006	32,133	43,360
2007	28,163	43,684
2008	28,164	43,804
2009	28,237	43,858
2010	28,365	43,535
2011	28,638	43,140
2012	28,897	41,674
2013	21,843	41,196
2014	21,300	40,596
2015	21,805	39,508
2016	21,944	39,272
2017	22,263	38,480
2018	22,649	37,638
2019	44,868	34,977
2020	47,060	31,190
2021	48,138	29,991
2022	15,530	6,462
2023	15,718	3,557
2024	16,030	4,608
2025	16,215	3,720
2026	14,860	3,186
2027	10,945	1,868
2028	8,138	1,284
2029	8,835	779
2030	5,368	276
	<u>\$ 646,465</u>	<u>\$ 746,978</u>

COMPONENT UNITS - GOVERNMENTAL FUNDS

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT G-1

COMPONENT UNITS - GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2021 (AMOUNTS IN THOUSANDS)

ASSETS	Stoutown Development District	New Orleans Tourism Marketing Corporation	New Orleans Economic Development Corporation	New Orleans Building Corporation	Total	
					2021	2020 (restated - Note 7)
Cash	\$ 2,434	\$ 1,188	\$ 208	\$ 82	\$ 3,912	\$ 4,038
Investments, at cost or amortized cost	8,394				8,394	3,291
Receivables (net), where applicable, all allowances for uncollectibles)						
Accounts	1,473				1,473	1,280
Accounts interest	98				98	28
Due from primary government				14	14	100
Due from other governments	88	1,048			1,136	1,547
Other assets	768	380	2,188	11	3,347	3,808
TOTAL ASSETS	13,255	3,616	2,406	215	19,492	13,684
LIABILITIES, EQUITY AND OTHER CREDITS						
Liabilities						
Accounts payable	\$ 105	\$ 3,177			\$ 3,282	\$ 1,886
Other payables and accruals	88	18	\$ 37		343	81
Due to primary government	2,713				2,713	878
Deferred revenues	1,023				1,812	2,880
Total liabilities	4,939	3,203	77		8,822	5,825
Equity and other credits:						
Investment in general fixed assets	746	88			834	879
Fund balance:						
Reserved for capital projects	708				708	711
Permanently restricted	4,414		2,000		6,414	2,000
Unreserved:						
Designated for subsequent year's expenditures	748	3,188			3,936	2,821
Undesignated	188	3,223	211	\$ 187	3,789	1,811
Total fund balances	5,050	6,419	2,211	187	13,867	5,431
Total equity and other credits	5,803	6,708	2,288	187	14,986	7,131
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	10,742	9,911	2,288	215	18,149	13,484

CITY OF NEW ORLEANS, LOUISIANA

EXHIBIT G-2

COMPONENT UNITS - GOVERNMENTAL FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 YEAR ENDED DECEMBER 31, 2003 (AMOUNTS IN THOUSANDS)

	Downtown Development District	New Orleans Tourism Marketing Corporation	New Orleans Economic Development Corporation	New Orleans Building Corporation	Total	
					2003	2002 (Restated - Note 1)
REVENUES:						
Taxes	\$ 5,498	\$ 6,906			\$ 12,404	\$ 10,239
Interest income	386	86			482	345
Miscellaneous	368	3,781	\$ 388		5,523	5,611
Total revenues	<u>6,152</u>	<u>10,773</u>	<u>388</u>	<u></u>	<u>17,313</u>	<u>16,195</u>
EXPENDITURES:						
General government	3,823	3,887	500	\$ 201	8,411	8,134
Public works	1,256				1,256	1,819
Culture and recreation	908	5,829			6,737	6,517
Other, net	3,681				3,681	413
Total expenditures	<u>9,668</u>	<u>9,716</u>	<u>500</u>	<u>201</u>	<u>20,185</u>	<u>16,883</u>
(Deficiency) excess of revenues over expenditures	(3,516)	1,057	(112)	(201)	(1,872)	(948)
Other financing sources:						
Proceeds from bond issuance	3,324				3,324	
Operating transfer in				380	380	318
Total other financing sources	<u>3,324</u>	<u></u>	<u></u>	<u>380</u>	<u>3,704</u>	<u>318</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	6,062	1,057	(224)	18	6,913	(140)
FUND BALANCES, BEGINNING OF YEAR (Restated Note 1)	<u>2,004</u>	<u>2,088</u>	<u>2,540</u>	<u>18</u>	<u>6,650</u>	<u>6,691</u>
FUND BALANCES, END OF YEAR	<u>\$ 8,066</u>	<u>\$ 3,145</u>	<u>\$ 2,316</u>	<u>\$ 18</u>	<u>\$ 13,545</u>	<u>\$ 6,472</u>

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COMPONENT UNITS - PROPRIETARY FUNDS

CITY OF NEW ORLEANS, LOUISIANA

COMPONENT UNITS - PROPRIETARY FUNDS COMBINING BALANCE SHEET DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Orleans Parish Communication District	Audubon Commission	Leche Armstrong New Orleans International Airport	Coverage and Water Board
ASSETS				
Current assets:				
Cash	\$ 753	\$ 4,867	\$ 4,418	\$ 3,837
Investments	4,684		17,149	173,699
Receivables (net of allowances for uncollectibility):				
Property taxes				893
Accounts	668	477	13,394	13,533
Accrued interest		4	127	1,618
Grants				214
Other				1,253
Due from other component units				
Due from primary government			80	1,899
Inventory of supplies		548	398	6,868
Prepaid expenses and deposits		638	1,899	898
Total current assets	3,893	7,544	36,673	289,712
Advances to primary government				
Restricted assets - cash and investments:				
Customer deposits				5,578
Construction account				86,346
Current debt service account		3,148	4,868	3,496
Future debt service account			8,213	16,987
Contingency (reserve) and replacement account			1,894	
Operation and maintenance account			3,661	
Capital improvements		687	48,818	73,984
Escrow funds				
Health insurance reserve				9,080
Other			2,968	313
Total restricted assets		3,835	66,944	181,694
Property, plant and equipment - at cost, less accumulated depreciation	1,128	125,931	378,918	1,667,483
Other assets		122,522	3,968	8,968
TOTAL ASSETS	3,324	5,149,283	5,488,434	5,142,559

Municipal Yacht Harbor Management Corporation	French Market Corporation	Upper Portland Building Restoration Corporation	Canal Street Development Corporation	Total	
				2001	2000
\$ 852 1,408	\$ 980 233	\$ 1,208	\$ 2,131	\$ 18,041 197,561	\$ 9,378 282,822
				689	604
23	186	38	413	25,738	26,494
				3,820	2,518
68	173			214	317
33				1,517	1,397
64			3,858	32	34
				4,892	3,680
				3,825	6,812
	40	28		2,814	2,428
<u>2,848</u>	<u>1,251</u>	<u>1,265</u>	<u>3,613</u>	<u>268,289</u>	<u>283,971</u>
<u>405</u>				<u>405</u>	<u>405</u>
				3,578	5,180
	89			88,345	87,842
	173	1,846		13,683	11,397
				25,969	23,747
				1,984	1,174
	1,880			8,961	8,002
	2,643			116,968	121,941
					41
				8,080	9,080
<u>822</u>	<u>58</u>			<u>2,992</u>	<u>3,247</u>
<u>822</u>	<u>4,189</u>	<u>1,888</u>		<u>278,471</u>	<u>271,781</u>
<u>2,796</u>	<u>8,341</u>	<u>1,412</u>	<u>1,862</u>	<u>1,518,818</u>	<u>1,686,728</u>
	<u>12</u>			<u>28,132</u>	<u>25,593</u>
<u>\$ 2,471</u>	<u>\$ 13,697</u>	<u>\$ 16,558</u>	<u>\$ 12,958</u>	<u>\$ 2,038,876</u>	<u>\$ 2,015,287</u>

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

 COMPONENT UNITS - PROPRIETARY FUNDS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Orleans Parish Communications District	Audubon Commission	Louis Armstrong New Orleans International Airport	Sewerage and Water Board
LIABILITIES AND EQUITY				
Current liabilities (payable from current assets):				
Accounts payable	\$ 112	\$ 4,300	\$ 3,153	\$ 13,475
Retainages payable				510
Other payables and accruals (net to other component units)		4,700	1,360	20,817
Due to primary government	48			
Deferred revenues			1,316	232
Total current liabilities				
(payable from current assets)	<u>160</u>	<u>5,000</u>	<u>4,469</u>	<u>14,422</u>
Current liabilities (payable from restricted assets):				
Retainages payable		1,080	2,120	3,188
Capital projects payable		163	910	702
Accrued interest		3,787		
Limited tax bonds			8,840	6,783
Bonds payable, current portion				
Revenue bonds		801		
Deposits and other				5,420
Total current liabilities (payable from restricted assets)		<u>5,732</u>	<u>11,970</u>	<u>19,293</u>
Total current liabilities	<u>160</u>	<u>10,732</u>	<u>16,439</u>	<u>33,715</u>
Long-term liabilities:				
Claims payable				12,882
Loans payable				
Limited tax bonds (net of current portion)		46,890		
Revenue bonds (net of current portion)		11,210		140,280
Less unamortized discounts		(860)		
Outstanding bonds (net of current portion and unamortized loss on advance refunding)			182,420	
Other		1,871		
Total long-term liabilities		<u>57,011</u>	<u>182,420</u>	<u>161,162</u>
Total liabilities	<u>160</u>	<u>57,743</u>	<u>198,859</u>	<u>204,877</u>
Equity:				
Contributed capital:			168,792	203,422
Reserve for employee pension benefits				130,359
Retained earnings:				
Reserve for property, plant and equipment				690,340
Reserve for bond debt service			9,311	18,052
Reserve for capital improvements			1,808	70,980
Unreserved	6,840	78,948	84,897	
Total retained earnings	<u>6,840</u>	<u>78,948</u>	<u>86,705</u>	<u>762,372</u>
Total fund equity	<u>6,840</u>	<u>78,948</u>	<u>285,904</u>	<u>1,033,093</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,004</u>	<u>\$146,691</u>	<u>\$ 484,763</u>	<u>\$1,478,269</u>

Municipal Yacht Harbor Management Corporation	French Market Corporation	Upper Portals Building Restoration Corporation	Canal Street Development Corporation	Total	
				2001	2000
\$ 15	\$ 264	\$ 13	\$ 1	\$ 28,126	\$ 24,808
625	557		34	535	265
	180	57		43,151	44,780
	37	465		77	34
				2,155	1,162
				37	32
638	908	514	35	71,066	70,991
				5,188	1,869
				5,208	1,860
	70	0		1,834	2,177
		180		1,787	1,897
	88			15,730	13,881
		97		929	929
				5,676	6,677
	86	262		32,332	26,021
638	1,036	807	35	105,338	98,926
				12,882	6,536
				46,083	42,087
1,715	1,483			162,781	15,349
				(946)	(1,263)
		4,513		182,025	318,679
				5,831	996
1,715	1,483	4,513		408,137	368,483
2,385	2,534	5,332	35	512,585	469,421
	2,884		8,143	404,201	395,951
				170,359	176,530
268				669,645	663,784
	2,135			28,488	28,582
	5,886			78,771	82,489
4,268	2,248	5,286	5,122	128,099	358,689
5,878	8,239	5,386	5,122	868,081	866,441
2,878	11,133	5,286	13,268	1,098,571	1,032,362
21,471	212,822	270,586	313,208	21,208,078	21,218,387

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

COMPONENT UNITS - PROPRIETARY FUNDS COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Orleans Parish Communication District	Audubon Commission	Louis Armstrong New Orleans International Airport	Sewerage and Water Board
Operating revenues:				
Charges for services		\$21,234	\$38,589	\$182,173
Tax revenues				26,314
Other	—	214	—	—
Total operating revenues	—	21,518	38,589	198,687
Operating expenses:				
Personal services	\$ 499	14,502	14,190	34,421
Contractual services	1,314	13,351	23,243	61,578
Materials and supplies	29	—	3,519	—
Depreciation and amortization	391	6,298	23,443	34,500
Other	213	—	1,760	9,114
Total operating expenses	2,476	34,853	67,835	141,013
Operating (loss) income	(2,476)	(13,335)	(2,945)	(42,326)
Nonoperating revenues (expenses):				
Interest revenue	371	628	4,978	39,350
Interest expense	—	(3,884)	(14,160)	(6,689)
Dedicated loans	3,897	7,413	—	11
Specific grants - The Audubon Institute, Inc.	—	2,998	—	—
Other - net	(21)	2,652	13,818	2,349
Total nonoperating revenues (expenses)	4,047	6,615	7,836	35,011
Income (loss) before transfers	1,571	3,280	4,961	(7,315)
Transfer out to primary government	1,314	1,391	4,360	4,187
Net income	—	1,391	4,360	(11,502)
Depreciation on fixed assets acquired by contributions	—	—	8,812	—
Increase in retained earnings	1,314	1,391	13,172	(4,187)
Retained earnings, beginning of year	5,328	77,552	62,835	718,115
Retained earnings, end of year	\$6,642	\$78,943	\$76,007	\$713,928

Municipal Yacht Harbor Management Corporation	French Market Corporation	Upper Peninsula Building Restoration Corporation	Canal Street Development Corporation	Total	
				2001	2000
\$1,864	\$4,089	\$1,390	\$ 1,608	\$106,811	\$187,838
<u>134</u>	<u>812</u>	<u>8</u>	<u>218</u>	34,744	30,394
				<u>1,262</u>	<u>1,818</u>
<u>1,998</u>	<u>4,901</u>	<u>1,398</u>	<u>1,818</u>	<u>255,282</u>	<u>256,112</u>
990	1,882	99	299	64,672	83,750
392	3,100	900		204,811	99,647
35	131	8	0	3,694	1,803
55	753	308	219	64,862	99,307
<u>82</u>		<u>12</u>	<u>218</u>	<u>8,765</u>	<u>12,862</u>
<u>1,521</u>	<u>5,826</u>	<u>824</u>	<u>528</u>	<u>248,052</u>	<u>229,347</u>
<u>482</u>	<u>1,693</u>	<u>776</u>	<u>1,990</u>	<u>(12,807)</u>	<u>(3,234)</u>
47	188	82		15,872	38,112
(1,120)	(1,080)	(236)	(64)	(24,268)	(24,236)
				11,259	30,963
				<u>2,998</u>	<u>3,818</u>
				<u>23,878</u>	<u>20,490</u>
<u>(610)</u>	<u>80</u>	<u>(154)</u>	<u>(144)</u>	<u>27,842</u>	<u>28,553</u>
482	1,125	227	1,347	15,844	25,319
	<u>11,088</u>	<u>(738)</u>		<u>(1,160)</u>	<u>(1,188)</u>
<u>482</u>	<u>115</u>	<u>227</u>	<u>1,347</u>	<u>13,944</u>	<u>24,219</u>
				<u>8,812</u>	<u>5,782</u>
482	115	227	1,347	25,514	33,692
<u>4,678</u>	<u>8,124</u>	<u>5,628</u>	<u>3,772</u>	<u>965,445</u>	<u>932,440</u>
<u>\$5,078</u>	<u>\$8,229</u>	<u>\$5,286</u>	<u>\$ 5,122</u>	<u>\$588,801</u>	<u>\$765,440</u>

CITY OF NEW ORLEANS, LOUISIANA

COMPONENT UNITS - PROPRIETARY FUNDS

COMBINED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2011 (AMOUNTS IN THOUSANDS)

	Orleans Parish Communication District	Audubon Commission	Louis Armstrong New Orleans International Airport	Sewerage and Water Board
Reconciliation of operating (loss) income to net cash provided by operating activities:				
Operating (loss) income	\$ (2,179)	\$ (8,295)	\$ (3,069)	\$ (2,179)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	381	6,208	32,441	34,585
Loss on disposal of property			500	
Provision for claims			517	1,413
Provision for doubtful accounts				1,665
Decrease (increase) in current assets:				(158)
Taxes receivable				
Accounts receivable	(158)	(35)	60	(1,413)
Other receivables				
Due from other funds			832	
Due from primary government	2		163	
Inventory				(633)
Prepaid expenses and deposits			(758)	
Other assets				
Increase (decrease) in current liabilities:				
(Deductions) increase in capital projects payable			280	
Accounts payable	92	3,797	(1,571)	3,729
Other payables and accruals	(113)		(796)	
Due to other funds				
Due to primary government				
Advances from other funds, net				
Deferred revenues				
Increase in inventory of materials and supplies				
Other			(408)	(7,278)
(Deductions) increase in accrued salary/ compensation			33	(647)
Other revenues - net	(21)			2,349
Other		(1,213)	(288)	
Net cash (used in) provided by operating activities	<u>(2,285)</u>	<u>690</u>	<u>12,718</u>	<u>36,335</u>
Cash flows from noncapital financing activities:				
Payment of loans payable				11
Dedicated taxes	<u>3,832</u>			
Net cash provided by (used in) noncapital financing activities	<u>3,832</u>			<u>11</u>

Municipal Yacht Harbor Management Corporation	French Market Corporation	Upper Peninsula Building Restoration Corporation	Grand Street Development Corporation	Total	
				2001	2000
\$ 463	\$ 1,005	\$ 376	\$ 1,391	\$ (12,083)	\$ (3,334)
50	753	308	219	64,082	59,387
				380	34
				7,879	11,411
				1,661	1,071
30	(181)	(9)	125	(399)	(481)
				(1,481)	(6,150)
(125)				(125)	189
(44)			(1,025)	(215)	96
	35	180		(575)	(353)
	46			(704)	(407)
				86	38
1	113	100		360	(737)
(484)	(5)	3	3	4,853	6,355
		65		(267)	808
				5	1
				65	(373)
	13		(7)	3	12
			(467)	(6,358)	(18,370)
				(538)	48
				3,338	2,383
				(1,913)	(585)
556	1,858	529	345	54,716	58,587
		(108)		(180)	(180)
				3,348	3,180
		(108)		3,240	3,000

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CITY OF NEW ORLEANS, LOUISIANA

COMPONENT UNIT - PROPRIETARY FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2001 (AMOUNTS IN THOUSANDS)

	Orleans Parish Communications District	Audubon Commission	Louis Armstrong New Orleans International Airport	Sewerage and Water Board
Cash flows from capital and related financing activities:				
Acquisition and construction of property and equipment	(704)	(3,581)	(19,499)	(52,190)
Decrease (increase) in restricted assets (decrease) increase in restricted liabilities		8		
Proceeds from property taxes dedicated to construction		7,481		
Principal payments on bonds payable		(2,600)	(5,340)	(3,283)
Capital contributed by federal and state grants		4,089	5,609	14,402
Interest paid on bonds payable		(3,584)	(12,953)	(6,600)
Grants from Audubon Institute		2,588		
Proceeds from issuance of bonds		6,848		32,730
Bond issuance costs			(93)	(280)
Passenger facilities charges collected			12,864	
Net cash provided by (used in) capital and related financing activities	<u>(704)</u>	<u>4,808</u>	<u>(3,880)</u>	<u>(10,141)</u>
Cash flows from investing activities:				
Payments for purchase of investments	(3,408)		(5,455)	(550,967)
Proceeds from sale and maturities of investments	2,834			98,181
Interest and dividends on investments	<u>312</u>	<u>629</u>	<u>4,395</u>	<u>8,098</u>
Net cash provided by (used in) investing activities	<u>(862)</u>	<u>629</u>	<u>(1,060)</u>	<u>(444,688)</u>
Net increase (decrease) in cash	<u>(200)</u>	<u>5,481</u>	<u>(4,285)</u>	<u>1,407</u>
Cash and cash equivalents, beginning of year	<u>712</u>	<u>666</u>	<u>18,098</u>	<u>1,871</u>
Cash and cash equivalents, end of year	<u>\$ 512</u>	<u>\$ 6,147</u>	<u>\$ 13,743</u>	<u>\$ 3,288</u>

Municipal Yacht Harbor Management Corporation	French Market Corporation	Upper Peninsula Building Restoration Corporation	Canal Street Development Corporation	Total	
				2001	2000
	(1,000)	(18,000)		(19,000)	(19,000)
				(32)	2,295
				(615)	(347)
				3,411	3,231
(145)	(88)	(175)		(16,634)	(16,214)
				24,134	26,238
(110)	(118)	(146)		(23,516)	(23,305)
				3,868	3,818
				38,568	47,508
				(290)	(419)
				<u>12,864</u>	<u>13,313</u>
(237)	(1,283)	(462)		(16,442)	(26,200)
(2,764)	(3,326)			(518,317)	(448,576)
3,836	3,723		180	314,834	481,652
<u>42</u>	<u>188</u>	<u>82</u>		<u>13,240</u>	<u>17,848</u>
278	(483)	82	180	11,678	(26,874)
858	(33)	414	448	3,334	3,438
12	685	2,872	1,685	25,698	26,260
<u>\$ 875</u>	<u>\$ 380</u>	<u>\$ 3,492</u>	<u>\$ 2,131</u>	<u>\$ 26,810</u>	<u>\$ 26,608</u>

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STATISTICAL SECTION
(Unaudited)

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CITY OF NEW ORLEANS, LOUISIANA

GENERAL AND DEBT SERVICE FUNDS EXPENDITURES BY FUNCTION (NON-GAAP BUDGETARY BASIS) LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)

Year	General Government (%)	Public Safety	Public Works	Health and Human Services
1992	\$ 92,313	\$ 122,777	\$ 27,283	\$ 10,739
1993	86,694	133,640	33,349	17,853
1994	95,321	125,604	27,694	16,616
1995	121,827	125,782	62,346	22,946
1996	118,622	128,380	48,740	16,391
1997	142,553	125,686	26,129	15,124
1998	129,322	125,123	23,003	22,699
1999	132,626	124,273	27,312	22,869
2000	128,314	166,146	29,042	25,661
2001	162,346	158,555	29,504	22,282

(1) General government expenditures include other financing uses and other, net.

TABLE 1

Culture and Recreation	Urban Development and Housing	Debt Service	Total
\$18,707	\$ 232	\$ 36,328	\$ 574,233
17,348	2	41,534	386,563
17,905	2	44,796	365,362
18,818	245	46,733	382,713
17,869	336	43,508	385,177
21,648	166	47,848	438,338
26,571	266	49,699	435,894
23,267	227	57,769	477,666
22,837	315	47,858	469,573
22,489	279	53,311	481,323

CITY OF NEW ORLEANS, LOUISIANA

GENERAL AND DEBT SERVICE FUNDS REVENUES BY SOURCE

(NON-GAAP BUDGETARY BASIS)

LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)

Year	Taxes	Licenses and Permits	Inter- governmental	Charges for Services	Fines and Forfeits
1993	\$ 183,234	\$ 33,391	\$ 30,658	\$ 37,434	\$ 11,683
1993	186,843	34,494	21,348	37,723	10,326
1994	187,327	35,159	28,240	39,637	10,896
1995	194,735	35,394	38,829	43,555	10,430
1996	199,355	34,639	37,698	41,778	10,488
1997	202,828	44,462	37,547	44,680	12,957
1998	214,612	35,166	38,497	43,130	11,536
1999	221,919	33,673	38,546	44,039	10,583
2000	233,872	37,629	35,350	42,684	12,575
2001	239,718	62,641	32,393	45,088	13,367

(1) Other financing sources are included as miscellaneous revenues.

TABLE 2

Interest Income	Contributions, Gifts and Donations	Miscellaneous (1)	Self Service	Total
\$ 6,508	\$ 292	\$ 68,609	\$ 48,357	\$ 223,487
6,765	16,840	7,987	35,603	356,683
4,217	50,724	32,545	35,603	362,486
7,284	6,813	34,082	36,782	380,681
8,868	484	21,683	38,578	372,662
18,406	588	44,780	48,787	418,046
8,811	6,813	33,483	43,048	434,834
8,239	1,328	25,303	44,808	428,431
8,838	8,308	68,987	48,607	488,637
18,134	1,368	61,683	48,649	490,747

CITY OF NEW ORLEANS, LOUISIANA

GENERAL AND DEBT SERVICE FUNDS EXPENDITURES BY FUNCTION

(GAAP BASIS)

LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)

Year	General Government (1)	Public Safety	Public Works	Health and Human Services
1992	\$ 90,829	\$152,499	\$59,348	\$17,282
1993	83,827	134,272	57,683	17,669
1994	96,976	134,346	55,682	14,686
1995	101,508	125,374	55,686	12,570
1996	100,316	138,257	52,848	14,682
1997	122,848	177,669	88,333	13,078
1998	151,544	164,389	83,744	12,834
1999	129,853	155,136	84,645	12,877
2000	148,268	160,516	63,081	13,280
2001	156,539	156,834	88,882	12,177

(1) General government expenditures include other financing uses and other, net.

TABLE 3

Culture and Recreation	Urban Development and Housing	Debt Service	Total
\$ 58,799	\$ 345	\$36,128	\$ 778,143
57,612	-	45,569	353,532
57,459	4	44,796	353,208
58,714	323	45,759	364,814
57,824	368	45,349	373,594
21,890	166	43,040	423,328
20,381	176	43,689	423,213
23,213	399	57,789	433,612
22,904	326	67,098	487,902
22,397	271	83,111	483,833

CITY OF NEW ORLEANS, LOUISIANA

GENERAL AND DEBT SERVICE FUNDS REVENUES BY SOURCE

(GAAP BASIS)

LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)

Year	Taxes	Licenses and Permits	Inter- governmental	Charges for Services	Fines and Forfeits
1992	\$ 184,109	\$ 32,591	\$ 28,487	\$ 37,866	\$ 11,682
1993	187,341	34,864	21,546	37,268	10,126
1994	186,762	33,130	18,227	38,837	10,896
1995	195,878	35,286	18,572	40,555	10,400
1996	196,413	34,639	17,580	41,778	10,488
1997	203,888	44,462	16,927	44,317	12,997
1998	212,723	55,168	18,514	43,374	11,535
1999	221,813	53,872	18,548	44,838	16,883
2000	232,873	57,831	15,383	43,604	12,535
2001	239,338	62,548	13,394	44,883	13,367

(1) Other financing sources are included as miscellaneous revenues.

TABLE 4

Interest Income	Contributions, Gifts and Donations	Miscellaneous (7)	Bait Service	Total
\$ 8,565	\$ 792	\$ 57,431	\$ 36,312	\$ 97,100
8,765	16,847	7,472	36,879	69,963
4,257	30,742	21,898	36,879	93,776
7,284	6,612	20,208	36,782	70,886
8,067	484	23,816	39,578	72,945
18,466	588	23,718	40,787	83,559
8,811	6,614	27,453	43,648	86,526
8,238	1,128	24,303	44,828	78,537
8,838	9,308	28,201	48,617	94,964
18,714	1,309	28,278	48,649	96,950

CITY OF NEW ORLEANS, LOUISIANA

TABLE 1

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)

Fiscal Year	Total Levied	Collected Through December 31, 2001		Balance Outstanding at December 31, 2001		Collected During 2001 Amount
		Amount	Percent	Amount	Percent	
Real estate taxes:						
1992	\$ 150,078	\$ 151,776	99.76	\$ 1,384	0.94	\$ 280
1993	149,637	147,630	98.65	2,007	0.35	223
1994	148,431	144,207	96.97	2,094	0.43	228
1995	145,005	142,529	98.29	2,476	0.71	1,268
1996	155,297	152,464	98.19	2,833	0.81	380
1997	157,217	153,588	97.64	3,628	2.49	1,274
1998	163,115	159,669	97.86	4,655	2.84	1,540
1999	172,616	166,863	96.65	5,753	3.32	3,678
2000	199,668	189,134	94.72	10,532	5.28	7,324
2001	208,441	184,383	88.49	14,058	6.71	190,399
Personal property taxes:						
1992	\$ 75,655	\$ 70,583	93.19	\$ 4,668	6.12	\$ 11
1993	72,868	68,296	93.73	4,572	6.27	5
1994	76,825	71,142	92.60	5,683	7.39	11
1995	79,238	73,408	92.64	5,830	7.36	42
1996	85,479	78,081	91.37	7,378	8.63	258
1997	88,126	81,153	92.11	6,973	7.89	160
1998	94,777	86,376	91.08	8,400	8.78	329
1999	98,467	82,603	83.88	15,864	16.01	432
2000	104,841	87,683	83.64	17,158	16.37	2,130
2001	110,838	81,086	73.16	19,752	17.74	90,086

CITY OF NEW ORLEANS, LOUISIANA

TABLE 6

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)

Fiscal	Real Property		Personal Property		Total		Assessed to Estimated Actual Value
	Net Assessed Value(%)	Estimated Actual Value	Net Assessed Value	Estimated Actual Value	Net Assessed Value	Estimated Actual Value	
1999	\$ 935,132	\$ 8,028,788	\$ 468,787	\$ 5,034,713	\$ 1,404,459	\$ 11,045,433	12.6
1999	918,234	7,876,555	456,866	5,045,273	1,375,648	10,915,936	12.6
1998	894,733	7,688,118	467,865	5,118,700	1,362,558	10,787,818	12.6
1995	885,899	7,583,398	467,899	5,117,855	1,353,798	10,711,261	12.6
1996	948,717	8,130,351	531,380	5,255,231	1,480,097	11,087,684	12.9
1997	968,334	8,203,296	548,891	5,659,387	1,518,447	11,890,510	12.9
1998	977,783	8,388,973	578,236	5,835,840	1,556,019	12,236,813	12.9
1999	1,013,340	8,684,888	581,741	5,831,687	1,605,891	12,636,496	12.9
2000	1,159,811	9,041,194	628,860	6,392,400	1,788,681	14,133,694	12.9
2001	1,314,698	10,486,325	651,744	6,348,860	1,966,442	14,751,485	13.6

(1) Amounts are net of the homestead exemption.

CITY OF NEW ORLEANS, LOUISIANA

TABLE 7
Page 3 of 4PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (UNAUDITED, NUMBER OF BILLS)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Direct Property Tax Rates										
City alimony, Sec. 15 Art 4 of 1906; Art. XIV Sec. 24 Const. 1921 Art 355 of 1902	14.50	14.91	14.91	14.91	14.91	14.91	14.91	14.91	14.91	14.91
Interest and redemption city bond, Sec. 13, Art 4 of 1906 (Amended Act 573 of 1906)	26.90	26.90	26.90	26.90	26.90	26.90	26.90	26.90	26.90	26.90
Special tax for sewerage, water and drainage, Art 191 of 1908 and Act 626 of 1908, Art. XIV, Sec. 23.3, 23.4-23.12 Const., 1921	-	-	-	-	-	-	-	-	-	-
Special tax for maintenance, operations and extension of the drainage system, Act 568 of 1906, Art. XIV, Sec. 23.2 Const. 1921 and Art VI, Sec. 21.36 and 32 Const. 1924.1 and Art. VII, Sec. 23, 1914 Const. LSA R.S. 47:1705 (B)	22.58	21.59	21.59	21.58	21.58	21.59	21.59	21.59	21.59	21.59
Special tax for establishing and maintaining a zoological garden in Audubon Park, Art. X Sec. 18 and Sec. 803 of Title 59 Louisiana Const., 1972 approved by voters in a referendum November 1972	.04	.04	.04	.04	.04	.04	.04	.04	.04	.04
Special dedicated tax to operate the Public Library Act VII, Part II Sec. 23 of Louisiana Const., 1904, LSA R.S. 47:1305(B) approved by voters in November 1965	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

TABLE 7
Page 2 of 4PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (UNAUDITED, NUMBER OF BELLS)

	1991	2000	1999	1998	1997	1996	1995	1994	1993	1992
Special tax, dedicated to maintenance of double platoon Fire Department and triple platoon Police Department, Act 7 of 1930 Am. XIV, Sec. 25, Const. 1901	4.27	4.27	4.27	4.27	4.27	4.27	4.27	4.27	4.27	4.27
Special tax (additional) for increase in pay to officers and members of Police and Fire Department, Act 260 of 1928, Art. XIV, Sec. 25, Const. 1901	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13
Special tax to establish and maintain an aquarium by the Audubon Commission, Art. VII, Part II Sec. 25, of La. Const. 1874, LSA 8-3, 40:1781(2) approved by the voters in November 1986	4.31	4.15	4.11	4.31	4.15	4.31	4.31	4.15	4.11	4.31
Special tax, Police without Homestead Exemption additional millages for police protection, Act 1300 of 1989, Art. VII, Sec. 23	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26
Special tax, Fire without Homestead Exemption additional millages for fire protection, Act 1300 of 1989, Art. VII, Sec. 23	3.21	3.21	3.21	3.21	3.21	3.21	3.21	3.21	3.21	3.21
Special tax, Neighborhood Housing Improvement	1.25	1.25	1.25	1.25	1.25	1.25	2.50	2.50	2.50	2.50

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

TABLE 7
Page 3 of 4PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (UNAUDITED, NUMBER OF MILLS)

	2003	2000	1999	1998	1997	1996	1995	1994	1993	1991
Capital Improvements & Infrastructure Trust Fund	2.50	2.50	2.50	2.50	2.50	2.50	-	-	-	-
Special tax, New Orleans Economic Development Fund	1.25	1.25	1.25	1.25	1.25	1.25	2.50	2.50	2.50	2.50
Special tax, Railways and Park and Recreation Department	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Special tax, Street and Traffic Control Device Maintenance	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Total direct property tax rates	108.04	108.04	108.04	108.04	108.04	108.04	108.04	108.04	108.04	108.04
Overlapping Property Tax Rates										
Special tax to provide funds for Board of Assessors according to Sec. 1815.1, 1815.2A, title 47 La. revised statute Act 458, 1986	1.19	1.19	1.19	1.19	1.19	1.19	1.19	1.19	1.19	1.19
Special tax, Orleans Parish Levee Board for support, maintenance and reconstruction of levees and levee damage as authorized by Act 6, Sec. 79, Const. 1974	5.40	5.40	5.40	5.85	5.85	5.85	5.85	5.85	5.85	5.85
Special tax, Orleans Parish Levee Board, for support, maintenance and reconstruction of levees and levee damage Act. XVI, Sec. 2 Const. 1911 amended, ratified Act. 6, Sec. 31 of the 1904 Const.	6.55	6.55	6.55	6.16	6.16	6.16	6.16	6.16	6.16	6.16

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

TABLE 7
Page 4 of 4PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (UNAUDITED, NUMBER OF BILLS)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Special tax for Orleans Parish School Board, for support, maintenance and construction of Public Schools of the City of New Orleans as levied by said Board annually, Act 51 of 1900, Art. 528, Sec. 10 Cont. 1921 Act 264 of 1926 or Act 791 of 1954		53.00	52.70	51.90	48.88	45.48	42.10	45.10	45.10	42.10
Special tax, Law Enforcement District of Orleans Parish, LRS 33-80800-80900		3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.00
Total overlapping property tax rates		56.00	55.70	54.90	51.88	48.48	45.10	48.10	48.10	45.10
Total		108.20	107.94	106.74	100.04	93.64	87.24	93.24	93.24	87.24

Note: The above rates are collected on the basis of 100% of valuation.

(Continued)

CITY OF NEW ORLEANS, LOUISIANA

TABLE #

COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2001 (UNAUDITED, AMOUNTS IN THOUSANDS)

Assessed value	\$2,251,698
Debt limitation - 35% of total assessed value [*]	<u>788,095</u>
Amount of debt applicable to debt limitation ^{**}	
General obligation bonds	464,495
Limited tax bonds	<u>8,318</u>
	472,813
Less assets in debt service fund available for retirement of general obligation bonds	<u>75,724</u>
Total amount of debt applicable to debt limit	<u>397,089</u>
Legal debt margin	<u>\$ 3,854,609</u>

^{*}Per Act 4 of 1916 of the Legislature of the State of Louisiana, as amended by Act 376 of 1946, as amended by Act 426 of 1978, as amended by Act 159 of 1984, as amended by Act 1 of 1994.

^{**}Excludes revenue bonds

CITY OF NEW ORLEANS, LOUISIANA

TABLE 9

**RATIO OF GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)**

Fiscal Year	Population*	Assessed Value Real Estate and Personal Property	General Obligation Bonded Debt	Ratio of Bonded Debt to Assessed Value	Bonded Debt Per Capita (1)
1982	487	\$1,882,987	\$440,142	24.53	890
1983	487	1,719,083	426,240	24.84	864
1984	487	1,766,383	413,625	23.26	836
1985	487	1,768,719	430,268	24.23	879
1986	487	1,814,889	414,711	23.66	834
1987	487	1,868,643	408,863	22.76	808
1988	487	1,908,443	474,421	24.69	935
1989	487	2,212,197	485,136	22.93	976
2000	483	2,173,387	464,176	21.56	937
2001	483	2,211,689	464,488	20.83	938

*For 1998 and 2000 U.S. Census.

(1) Bonded debt per capita not in thousands.

CITY OF NEW ORLEANS, LOUISIANA

TABLE 18

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
TOTAL DEBT TO TOTAL GENERAL EXPENDITURES
(NON-CAAP BUDGETARY BASIS)

LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to Total General Expenditures
1993	\$11,588	\$20,153	\$32,741	\$374,233	8.75
1994	12,614	22,969	35,583	356,962	9.97
1994	12,618	21,964	34,584	360,962	9.59
1995	11,958	17,387	29,345	392,713	7.50
1996	17,358	28,718	46,076	383,777	12.01
1997	17,878	23,600	41,478	438,574	9.46
1998	17,245	23,077	40,322	428,835	9.58
1999	38,185	27,684	65,869	457,848	14.41
2000	38,760	28,271	67,031	468,873	14.31
2001	46,335	34,956	81,291	490,532	16.59

(1) Includes general and debt service funds only.

CITY OF NEW ORLEANS, LOUISIANA

TABLE 11

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2001 (UNAUDITED, AMOUNTS IN THOUSANDS)

	Bonded Debt	Percentage Overlapping	Overlapping Debt
City of New Orleans:			
General obligations, limited tax, and revenue bonds	\$ 648,465	100 %	\$ 648,465
Sewerage and Water Board	153,838	100	153,838
Auditors Commission	<u>55,864</u>	100	<u>55,864</u>
Total direct City debt	<u>858,167</u>		<u>858,167</u>
Overlapping debt:			
Orleans Parish School Board (1)	327,373	100	327,373
Orleans Levee District (2)	<u>111,158</u>	100	<u>111,158</u>
Total overlapping debt	<u>438,531</u>		<u>438,531</u>
Total direct and overlapping debt	<u>\$1,300,676</u>		<u>\$1,300,676</u>

(1) The fiscal year of the Orleans Parish School Board ends on June 30th.
Overlapping debt is based on June 30, 2001 financial information.

CITY OF NEW ORLEANS, LOUISIANA

PROPERTY VALUE AND CONSTRUCTION

(LAST TEN FISCAL YEARS (UNAUDITED, AMOUNTS IN THOUSANDS))

	Property Value			Construction			
	Real Estate	Personal	Total	Residential		Nonresidential	
				Permits	Valuation	Permits	Valuation
1992	\$8,020,789	\$3,124,713	\$11,145,402	16,203	\$54,733	1,241	\$90,768
1993	7,870,333	3,045,373	10,915,706	11,358	98,351	3,039	80,433
1994	7,669,118	3,118,780	10,787,898	3,893	98,873	834	101,997
1995	7,583,368	3,117,983	10,701,351	3,595	105,359	684	78,063
1996	8,132,351	3,336,167	11,468,518	3,163	79,468	363	175,338
1997	8,233,396	3,639,387	11,872,783	3,131	62,361	1,584	123,350
1998	8,360,933	3,836,747	12,197,680	1,862	184,213	339	346,663
1999	8,684,889	3,831,687	12,516,576	3,809	123,342	531	500,865
2000	9,941,294	4,192,480	14,133,774	3,233	176,858	531	118,440
2001	18,496,325	4,344,990	22,841,315	3,378	111,804	588	153,741

Source: Department of Safety and Permits.

TABLE 12

Commercial		Industrial	
Permits	Valuation	Permits	Valuation
1,000	\$ 75,136	2	\$ 8,040
250	70,136	1	6,867
904	77,500	20	1,700
627	219,679	40	21,948
160	20,911	8	848
900	97,305	18	1,063
184	48,018	2	11,796
304	70,260	3	104
326	116,665	8	1,551
300	62,100	5	816

CITY OF NEW ORLEANS, LOUISIANA

TABLE 13

PRINCIPAL TAXPAYERS

DECEMBER 31, 2001 (UNAUDITED, AMOUNTS IN THOUSANDS)

Name of Taxpayer	Type of Business	2001 Assessed Value	Percentage of Total Assessed Value
Energy Services	Electric and gas utilities	\$ 32,613	3.89 %
BellSouth Telecommunications	Telephone utilities	41,875	5.03
Banc One	Financial institution	37,384	4.51
Hibernia National Bank	Financial institution	35,972	4.35
Wachovia National Bank	Financial institution	35,650	4.32
Harrah's Entertainment	Hospitality and gaming	22,688	2.73
Jackland	Theater Park	14,831	.79
NET	Telecommunications	14,688	.78
International River Center	Real Estate	14,241	.75
Trust	Managed Care	13,328	.71
		<u>\$ 309,379</u>	<u>36.97 %</u>

DEMOGRAPHICAL AND MISCELLANEOUS STATISTICS
(UNAUDITED)
Location:

Southeastern Louisiana between Lake Pontchartrain and the Mississippi River

Size:

353.2 square miles, with 155.4 square miles (44%) of land

Population:

484,674 (2000 U.S. Census)

Climate:

Average winter temperature (October - March) 58.8 degrees; average summer temperature (April - September) 77.4 degrees; annual average humidity - 83%; annual average rainfall - 53.8 inches

Public Safety:

Department of Police

Police districts - 8

Budgeted positions - 3,090.5

Department of Fire

Fire districts - 8

Budgeted positions - 805

Public Works:

Developed expressways	35	miles
Arterial roadways with curbs, gutters and sub-surface drainage	1,065	miles
Asphalt minor (city) roadways with some sub-surface drainage	3,950	miles
Temporary surfacing, roadways	275	miles
Unimproved or undeveloped systems	28	miles
Total	5,353	miles

Budgeted positions - 345

Recreation:

City of New Orleans Recreation Center	10
Stadiums	7
Pools:	
Outdoor	16
Indoor	3
Tennis courts, locations	19
Playgrounds	113
Other unique sites (cultural activities)	6
Average	568
Associated agencies' average	4,893
Municipal golf courses	4
Budgeted positions	244.25

Source: City Records.

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all weakness in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described in the attached appendix B, we consider comment No. 01-02 to be a material weakness.

We also noted other matters involving the internal control over financial reporting that we have reported to the management of the City in a separate letter dated June 28, 2002.

This report is intended solely for the information and use of the Audit Committee, management, the state of Louisiana Legislative Auditor and officials of the applicable federal and state agencies and is not intended to be read should not be read by anyone other than these specified parties.

Deloitte & Touche LLP

June 28, 2002

CITY OF NEW ORLEANS

APPENDIX A

SCHEDULE OF FINDINGS

COMMENT #1-01

Observation

We noted during our audit that the City of New Orleans utilized pre-existing contracts to procure street and concrete repair services totaling \$10,828,566, representing a 388% increase in the original amount. The pre-existing contracts were executed during 1999 as a result of low-bid awards in two competitions totaling \$4,358,170 and \$1,020,473, respectively. Such contracts, which were for the provision of the street and concrete repairs similar in nature to the 2001 repairs, were initially issued for periods ending in year 2000, but were extended through the year 2001.

The original bid advertisement in 1999 for the pre-existing contracts specified a certain level of quantities pertinent to the street and concrete repairs. In our opinion, the awarding of \$10,828,566 in similar services in 2001 results in a change in scope outside of the scope of the original contract. In such cases, federal and state law require that such services be competitively procured.

Recommendation

The City should properly monitor and follow bid laws for contracts in progress.

Management's Response

Management does not concur. The Deputy City Attorney has reviewed the files and has issued an opinion that the City did not violate public bid laws. Consultation has been undertaken with the office of the State Attorney General to obtain its comments but a conclusion has not been reached at this time.

Completion Date

N/A

Contact

Reginald Zeno, Director of Finance
Pamela Bradford, Interim Purchasing Agent
Michael Botnick, Assistant City Attorney

CITY OF NEW ORLEANS

APPENDIX B

MATERIAL WEAKNESS

COMMENT 94-01

FIXED ASSET INVENTORY

Observation

The City of New Orleans (the "City") has not completed an inventory of its significant fixed assets for a number of years to confirm additions and deletions. In the year ended December 31, 1994, the City attempted to implement a new Fixed Asset Management System in AP/IN Advantage 2.0. During the conversion from the previous fixed asset system to the new system, complete listings of prior assets owned, current year additions, and current year deletions were not added to this new system. This disconnecting in the conversion process has precluded the City from producing a complete listing of all assets that agree to the general ledger for the past three years. Without an accurate detail of all fixed assets owned, the City has experienced difficulties relating to fixed asset management, recording additions and disposals, and relinquishing its assets. As an example, the City has only reported approximately \$78,000 in fixed asset deletions in the current year.

Recommendation

In preparation for the implementation of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," the City's consultants prepared a listing of all fixed assets over \$5,000. This detail listing was generated from the City's internal fixed asset system but it did not agree to the general ledger as of December 31, 2001. We strongly recommend that the City perform a complete physical inventory before December 31, 2002 in order to accurately report its fixed assets under the new reporting model. Also, a policy should be adopted to ensure that periodic counts take place on a quarterly basis and those counts are reconciled to the general ledger. Finally, controls should be put in place to monitor the subleasing of all fixed assets and procedures should be established to report the disposals of these fixed assets.

Management's Response

Management concurs with the recommendations. A physical inventory will be conducted in August 2002. Based on staff limitations the Bureau of Accounting will begin planning for periodic counts on a semi-annual basis.

Completion Date

August 31, 2002

Contact

Wayne Delorge, Comptroller
Jenna MacFord, Interim Purchasing Agent
Earl J. Kilbuck, MIS Director

REPORTABLE CONDITIONS

COMMENT 01-03

CASH-BANK RECONCILIATIONS

Observations

The City did not perform reconciliations of credits of its bank accounts on a timely basis, and in the case of the disbursement clearing account, the reconciliation was not performed annually. Also, the process employed in reconciling bank accounts was not standardized, creating unnecessary inconsistencies in the format of the bank reconciliations.

Also, there are certain deposit and disbursement accounts that are reconciled separately by finance and treasury. It was noted that discrepancies exist between the reconciliations performed by the separate functions. These accounts also have reconciling items that were not cleared in a timely manner.

Recommendation

We recommend that the function of cash reconciliations be assigned to a single department. In addition, we recommend that the City implement a reconciliation process which identifies and resolves on a timely basis all outstanding reconciling items. As in prior years, we also recommend that in order that all accounts be reconciled in a standardized format, the City should develop a standardized process and format of its bank reconciliations. Finally, the City should consider implementing a centralized cash management function that would enable the City to monitor its cash balances, consolidate numerous accounts, and project its ability to meet its future cash requirements through formalized monthly cash flow forecasts.

Management's Response

Management agrees. The Bureau of Accounting will be officially responsible for all bank reconciliations in the future. A standard format will be developed. Cash flow reporting is an area that will require additional staff expertise and assistance. However, plans are being developed to prepare cash flow reports on a monthly basis.

Completion Date

August 31, 2012

Contact

Cynthia Foster, Treasurer
Wayne DeLarge, Comptroller

COMMENT 01-04

RECONCILIATION OF DUE TO/OWE FROM COMPONENT UNITS

Description

During our testing of due to/owe from component units, we noted that there were numerous out of balance conditions between the City's financial statements and various component units. The City is not following its own guidelines that were established in January 1998 that required quarterly reconciliation of the due to/owe from balances with component units.

Recommendation

Accounting personnel should begin to follow the City's policy to reconcile these balances on a quarterly basis. There also should be a procedure where a due to/owe from matrix is prepared by accounting personnel that would provide a detail of each component unit balance and the City's related balance. This matrix should be reviewed by the controller on a quarterly basis and any differences should be resolved immediately.

Management's Response

Management concurs. The Bureau of Accounting vacancies have remained unfilled for several years due to budget constraints, salary limitations, etc. However, the Bureau will begin preparing due to/owe from reconciliations on a semi-annual basis and as positions are filled these reconciliations will be prepared on a quarterly basis.

Completion Date

December 31, 2002

Contact

Wayne DeLuze, Comptroller
Barrie Harris, Purchasing Agent
Paul J. Kibbicki, MIS Director

STATUS OF THE 2009 RECOMMENDATIONS

The following is a summary of the 2009 recommendations from our report dated June 28, 2011 and the status of implementation thereof:

	Implemented	Partially Implemented	Not Implemented
<u>COMMENT 08-1</u>			
Fixed Asset Inventory – Management will count assets every three years and reconcile property balances quarterly.			X
<u>COMMENT 08-2</u>			
Worker's Compensation and Financial Liability – Management will monitor the third party service provider.	X		
<u>COMMENT 08-3</u>			
Cash – Bank Reconciliations – Management will coordinate efforts to improve process.			X
<u>COMMENT 08-4</u>			
Reconciliation of due billings components made – management concurs that quarterly reconciliations must be provided.			X



June 28, 2008

The Honorable Mayor and Members
of the City Council of the City of New Orleans, Louisiana

Dear Mayor and Members of the City Council:

In planning and performing our audit of the general purpose financial statements of the City of New Orleans, Louisiana (the "City") for the year ended December 31, 2007 (on which we have issued our report dated June 28, 2008), we developed the following recommendations concerning certain matters related to its internal control and certain observations and recommendations on other accounting, administrative, and operating matters. A description of the responsibility of management for establishing and maintaining internal control, and of the objectives of and inherent limitations of internal control is set forth in the attached Appendix and should be read in conjunction with this letter. Our comments are presented in Exhibit 1 and are listed in the table of contents therein. See also "Status of the 2008 Recommendations" on pages 12 through 13.

This report is intended solely for the information and use of the Audit Committee, management, the State of Louisiana Legislative Auditor, and officials of applicable federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

We will be pleased to discuss these comments with you and, if desired, to assist you in implementing any of the suggestions.

Yours truly,

Deloitte & Touche LLP

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the media and other interested public officials. This report is available for public inspection at the offices of the Director of the Department of Information, where appropriate, at the office of the parish clerk of court.

Release Date _____

CITY OF NEW ORLEANS

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EXHIBIT I

INTERNAL CONTROL STRUCTURE

ACCOUNTS PAYABLE DETAIL

Observation

The City does not maintain a detail of accounts payable for the General, Special Revenue, Grant Reimbursements and Capital Project funds that agrees to the general ledger. In addition, management does not review the detail listing of accounts payable to ensure its accuracy. As an example, the detail of the Grant Reimbursements Fund did not reconcile by approximately \$4,080,608.

Recommendation

We recommend that the City develop and maintain a detail of its accounts payable for all funds. Such a detail would minimize the potential for material adjustments to the general purpose financial statements, and if used properly, may assist in the management of cash flow by aging the City's accounts payable more accurately. Currently, such an aging of accounts payable does not occur.

Management's Response

The Bureau of Accounting does maintain a detail listing of accounts payable that resides in the general ledger of each fund. However, a report does not exist that provides this detail. We will proceed in developing a report through program changes.

Completion Date

September 30, 2002

Contact

Calvin Aguilard
Wayne DeLuze

GENERAL AND POLICE LITIGATION RESERVES

Observation

The City maintains a database of only open claims information handled by the City's Law Department and the database does not include all cases handled by outside attorneys. Also, the City does not maintain a record of paid losses by claims. These deficiencies result in errors when calculating general and police litigation reserves and supplying information to third parties. As a result of the way the claims information is maintained, generally accepted actuarial methodologies cannot be used to assess reserves. In addition, we noted during our testing of paid and unpaid claims detail that the claims files were not organized in a manner that facilitated locating files in a timely fashion.

The data that the City compiles and provides to the actuaries for its police and general litigation claims is insufficient and incomplete to perform an actuarial analysis based on appropriate actuarial methods and reasonable assumptions; rather, the estimate of reserves is based on extremely limited data and information.

Recommendation

We recommend that the City maintain a database of all claims that would include specific information about claims occurrence, judgment, settlement, and payment. In addition, a third party review of the data system should be performed for possible improvement and identification of inefficiencies. Also, a standardized filing system should be implemented for all case files. This database would provide accurate information to external third parties and facilitate proper maintenance of these claims in order to minimize liability.

Management's Response

We concur with auditor's recommendations and we will proceed with developing methods of getting information through a responsive database with outside auditors and consultants.

Completion Date

Ongoing

Contact

Charles Rios, City Attorney

USER TERMINATION PROCEDURES

Description

The City of New Orleans does not have a formal procedure for the removal of system access for employees who have been terminated or transferred. The process that the City follows currently is to allow the account of the terminated user to suspend automatically after a period of inactivity.

There is a risk that unauthorized use of the terminated user access can occur before the account is suspended. Unauthorized activities of terminated users are difficult to track.

Also, without a consistent process, transferred (people changing departmental) users with changed access requirements may result in violations of segregation of duties as additional access may be given without revoking the previous access.

Recommendation

Collaborating with human resources will allow the MIS department to become aware in a timelier manner when there are personnel changes that will affect user access to the network and various applications maintained by the MIS department. Human Resources should notify IT on job changes and terminations on an immediate basis so that access can be modified/terminated on a timely basis.

Management's Response

MIS will generate a one time termination report for the systems security administrators. A regular weekly production report will be generated with new termination thereafter. The mission report will be completed by July 2, 2002, and thereafter on each Wednesday after payroll.

Completion Date

July 2, 2002

Context:

Earl Kilbride, MIS Director

PERTINENT CONNECTION

Description:

The City has implemented an Internet connection, and has begun utilizing the connection in a limited capacity, with intentions to expand this use. Only users with Chief Administrative Officer authorization may use this resource. The risk of creating an Internet connection could result in internal attacks, release of confidential information, and destruction of systems. The information security policies have not been updated to reflect this expansion of risk.

The City has plans to expand its presence on the Internet and allow system access via that path. Allowing access to the Internet without establishing an Internet Security and Usage Policy could result in usage not consistent with the City's expectations. The security policy should address key issues related to how the City will ensure that its risk and exposure are minimized. We would expect an Internet Security and Usage Policy to document the business purposes for the Internet and overall strategy for minimizing risks and exposures in the Internet. This strategy would guide the procedures, such as "accept and use" that users follow to help ensure consistent usage and risk mitigation.

Recommendation:

As the City expands its Internet capabilities, it should define its Internet security strategy based on the Internet services the City will utilize and how its Internet network will be protected. The security system should articulate policies and procedures to ensure that the Internet's design, configuration, technology and administration will protect the City's internal networks. As the City's internal network, external connections and Internet usage changes, these policies and procedures should be reviewed and modified.

Management's Response:

MIS will develop a written Internet Security Policy.

Completion Date:

January 3, 2003

Contact:

Earl J. Kilbride, MIS Director

ANTI-VIRUS SOFTWARE

Description:

During the presentation performed in January 2002, we noted that there is not a citywide policy on maintaining up-to-date anti-virus software on workstations. Our understanding is that each department is responsible for determining the need for anti-virus software.

Although many viruses can be detected and eliminated by current firewall and server anti-virus technologies, there is risk that viruses can still cause damage if transferred by email attachment or disk (floppy, CD-ROM, etc.). Users with Internet access can become infected by outside email services such as Hotmail.

Recommendation

The City of New Orleans should adopt a policy that all workstations connected to the wide area network contain anti-virus software with up-to-date file definitions that will reduce the risk of virus infection and damage. The Management Information Services Department should administer the implementation of anti-virus software and periodically "push-out" new file definitions to user workstations.

Management's Response

The City has purchased a site license for eTrust, Computer Associates Anti Virus software. MIS is in the process of installation and creation of a definition source. The virus protection software will start to go to workstations in the next 30 days.

Completion Date

The rollout will start within the next 30 days. It should be completed by October 30, 2002.

Contact

Earl Killebride, MIS Director

PROGRAM CHANGES

Observation

Based on our high-level review over program change control procedures, we found that there is not a consistent requirement for end users to test out and formally approve program changes prior to movement into production. This could result in changes not consistent with user expectations.

There are no formal testing procedures outside of what the programmers perform. Generally, the programmers are expected to test the modified programs using test data. Users should also be testing the program to ensure it meets the expectations; however, there is no requirement for users to test changes, and thus, often the programs are not tested. Without sufficient program change controls, management cannot be reasonably assured that changes made to the application systems are appropriately requested, authorized and implemented.

Recommendation

Formal program change procedures should include steps where users test all programs prior to movement into production. This should include a formal sign-off indicating their approval of test results.

Management Response

We agree with recommendation.

Completion Date

August 1, 2002

Contact

Earl Killebride, MIS Director

ACCOUNTING, ADMINISTRATIVE AND OPERATING MATTERS

FUND BALANCE OF THE GENERAL FUND

Observation

Over the last several years, the City has appropriated portions of its prior year fund balance in its general fund in order to meet increasing expenditure requirements. For four of the past five years, expenditures in the general fund have exceeded revenues. Since December 31, 1999, the unappropriated portion of the fund balance in the General Fund has declined from \$13.1 million to \$2.7 million at December 31, 2004.

Recommendation

Many municipalities establish minimum levels of fund balance beyond which levels they will not exceed except in unusual or extraordinary circumstances. We recommend that the City establish for budgeting purposes a minimum level of fund balance to protect it from unanticipated drops in revenue or increases in expenditures.

Management's Response

The City concurs with the recommendation to increase the amount of the unappropriated fund balance. Because of fiscal constraints, it may take two to three years to bring the fund balance to a desirable level.

Compliance Note

Ongoing

Closed

Kimberly Williamson, Chief Administrative Officer

INTERNAL AUDIT FUNCTION

Observation

Currently, the City's internal audit function is limited in the scope and breadth of its activities due to insufficient size and staffing levels of its staff. The size and complexity of City operations warrants the allocation of additional, qualified personnel to perform internal audit activities on an ongoing basis. The internal audit function is an important element in providing assurance to the City that its internal control structure is adequate and functioning properly. The lack of significant ongoing internal audit activities may expose the City to an undue level of risk of loss of financial resources, instances of noncompliance or other control risks. The following is a suggested list of areas in which an internal auditor could add significant value to the City:

- Internal control reviews
- Independent audits of various accounts and financial activity
- Federal program compliance reviews
- Accounting policy compliance reviews
- Additional operational reviews and special projects

Due to the existing staffing level and workload of the Internal Audit department, internal audit activities are not being performed on a regular basis. As a result, the City must place greater reliance on its systems of internal control and the annual external audit to provide assurance relating to its financial statements and related systems. The City also cannot proactively perform audits to isolate problem areas or identify areas of weakness which may exist.

Recommendation

Consider expanding the size and staffing levels of the Internal Audit department. Alternatively, the City should consider outsourcing that function by hiring outside consultants to aid the City in performing internal audit activities. The duties and responsibilities should be set forth in order to address the areas suggested above.

Management's Response

Internal Audit functions are now outsourced. The Chief Administrative Office is currently considering what adjustments may need to be made, specifically whether or not a mix of outsourcing and in-house effort would be more effective.

Completion Date

Ongoing

Contact

Kimberly Williamson, Chief Administrative Officer

FINANCIAL STATEMENT PREPARATION

Observation

At fiscal year-end, the Accounting Department personnel prepare trial balances for all funds of the City to prepare the annual financial report. Accounting department personnel spend a significant amount of time preparing year-end trial balances in a personal computer-based spreadsheet program. The City's general ledger software does not currently prepare the reports needed by the Accounting department for the creation of the annual financial report. Manually recreating the data is inefficient and increases the potential for error in creating the annual financial report.

Recommendation

Explore alternatives to manually recreating information that is already maintained in an electronic format. These alternatives could include:

- Development of automated reports that meet the Accounting department's needs
- Establishing a responsibility and a time frame for testing the system's ability to download data to a personal computer-based spreadsheet template that meets the accounting department's needs.

Management's Response

Current.

Completion Date

Contact

Wayne DeLange, Comptroller

MSW REPORTING MODEL

Description

The Governmental Accounting Standards Board ("GASB") has adopted new requirements for annual financial statements of state and local governments. GASB Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" will significantly change the way governments report their finances to the public. The financial reports prepared under the new system will not only improve information provided for major funds, but, most importantly will provide financial information from a total government perspective. Under GASB Statement No. 34, the City will be required to provide: (1) a financial manager's analysis discussing the City's overall financial position and results of the previous year's operations, (2) a statement of net assets and a statement of activities disclosing all of its assets, liabilities, revenues, and expenses, (3) disaggregated information about the most important or major funds, including the general fund, and (4) a supplementary schedule comparing original, final, and actual information on the budgetary basis for the City's general fund and major special revenue funds.

Recommendation

In order to avoid delays in issuing Comprehensive Annual Financial Reports under the new reporting model, the City should continue the process of reviewing the new GASB statement and working with its consultants to implement the required revisions to the financial statements. Also, as part of this plan, the City should continue to gather any additional information that will be required under GASB Statement No. 34. Finally, the City should continue assessing the cost to implement the new statement in order for those amounts to be included in future budgets.

Management's Response

Concur. Planning for the implementation of GASB 34 will commence immediately.

Completion Date

Contact

Reginald Zera, Director of Finance
Wayne DeLange, Comptroller

BUSINESS CONTINUITY PLAN

Observation

Critical business processing functions may not be recovered in the event of major damage or inaccessibility of key City facilities.

Currently, the City of New Orleans lacks a "Business Continuity Plan." A Business Continuity Plan (BCP) outlines the necessary arrangements to perform key business functions in the event of a disaster. A plan would help reduce the financial costs and the time necessary to replace key processing components after a disaster. The first step in completing a BCP involves a Business Impact Analysis (BIA) to identify key business processes, their criticality to the organization, the impact of not providing those processes, potential threats, and the likelihood of occurrence to the organization. The plan would be developed from an overall business perspective and would identify all business processes; however, the plan would only address those business processes deemed critical.

Recommendation

We recommend the development of a comprehensive, business-driven disaster recovery program, which not only concerns the recovery of data processing, but also puts heavy emphasis on preventing such disruptions and recovers all critical business resources (e.g., work site, facilities, human resources, and technology, and business process activities). Management should first perform a BIA, which will drive the recovery strategy. Based on this analysis, a BCP should be prepared and its effectiveness tested on a periodic basis to ensure continued existence of the organization in the event of a disaster.

A BCP should include, but not be limited to:

- The identification of key automated business processes required to continue when a disaster is declared.
- Declaration procedures and investigative roles and responsibilities.
- Evacuation procedures.
- Interim manual procedures and communications.
- The specific arrangements to recover those key processes identified, including personnel, facilities, telecommunications, supplies and equipment.
- A process to identify changes within the organization and make updates to help ensure that the plan remains current.
- Periodic testing, where feasible and cost effective, to help ensure that the plan is operational.

Management's Response

The City has a comprehensive emergency operations plan which is updated at least annually which covers work sites, facilities, human resources and equipment.

Completion Date

Contact

Kimberly Williamson, Chief Administrative Officer

BUDGET ANALYSIS

Observation

Currently, the City has no centralized formal analysis of budget to actual results during the year or at year end. It was noted that several departments independently perform this function as well as the CAO's office. These analysis were not consolidated into a single place, and in many cases the variance analysis varied from the individual department to the CAO's office, especially in the case of expenditures.

Recommendation

We recommend that the City perform an analysis of budget to actual results on a regular interval (e.g. monthly). Additionally, the analysis should incorporate the analysis performed at the department level. An increased understanding of the variances of budget to actual throughout the year would enhance the City's ability to identify the use of its resources in the most effective manner possible. Also, such analysis could be used to project the implications of budget variations on the projected operating results for the budget year thereby providing an early warning for potential budget shortfalls.

Management's Response

The Chief Administrative Office proposes monthly budget-to-actual reports for the City Council Reports and reporting schedules are currently under review.

Completion Date

Contact

Kimberly Williamson, Chief Administrative Officer

TRUST FUNDS

Observation

During our audit of expendable and nonexpendable trust funds, we noted that none of these trust funds were documented by formal legal trusts that could be located. Additionally, the following funds have had no activity recorded for many years even though many require annual expenditures to be made for specified purposes and have assets remaining in the funds:

- a. Isaac Delgado Memorial

This fund was established for the use and benefit of the Isaac Delgado Trade School (currently Delgado Community College).

- b. John McDonough School

This fund was established for the support of public schools.

c. Lafayette Cemetery #1 Under Will of Lilly Violet

The ordinance under which the Fund, Lafayette Cemetery #1 Under Will of Lilly Violet, was established requires the City to carry out the terms of the bequest, which states that the income be spent for the perpetual care and maintenance and repairs of the family tomb in Lafayette Cemetery #1 and placing flowers thereon three times a year.

d. Mahalia Zimmerman Tomb

This fund was established according to the terms of the will of Mrs. Mahalia Zimmerman for the care and improvement of her tomb and grounds in Washington Cemetery.

e. Mrs. Otto Joachim

This fund was established according to the terms of the will of Mrs. Otto Joachim to perpetuate a subscription of National Geographic Magazine for the New Orleans Public Library.

f. Place duFrenoy - Jean et Arc

g. Sickles Legacy

The Sickles Legacy Fund was established by the bequest of Mr. Simon Van Antwerp Sickles, in which he bequeathed to the City of New Orleans a portion of his estate to establish a City Dispensary for gratuitous dispensing of medicine and medical advice to the poor of the City.

h. Helen Adler Levy Library

This fund was authorized to establish and maintain the Helen Adler Levy Memorial Room at the New Orleans Public Library.

i. Kiwanis Club Lee Circle Sprinkler System

The Kiwanis Club Lee Circle Sprinkler System Fund was established in 1977 by a donation of \$4,100 by the Kiwanis Club to install a Subterranean Lawn Sprinkler System at Lee Circle.

j. Ella West Phoenix Foundation

This fund was established for the purpose of producing copies of the Masonry Maintenance Guidelines Manual to be used by the Vaux-Carré Commission.

Recommendation:

We recommend that additional research of these trust funds be performed to determine the legal status and necessity of maintaining these funds in trust for others. Additionally, the City should implement a system for determining whether the requirements of each of these trusts are being met, and the Board of City Trusts should become more involved in monitoring the activities of these funds which fall under its jurisdiction.

Management's Response:

We concur and will forward to the appropriate agencies for review and determination.

Completion Date

Ongoing

Contact

Charles Rice, City Attorney

RECONCILIATIONS OF URBAN DEVELOPMENT ACTION GRANTS

Description

The City maintains a listing of outstanding amounts receivable under the Urban Development Action Grants (UDAG) separately in the Accounting Department and in the Mayor's Department of Economic Development. It was noted that the listings of amounts outstanding do not agree. For instance, the American Can UDAG loan of \$1,080,000 was listed by the Accounting Department and not listed on the detail prepared by the Mayor's Department of Economic Development. The total differences of these schedules amounted to approximately \$4,580,898.

Recommendation

We recommend that the Accounting Department and the Mayor's Office of Economic Development reconcile the detail of the outstanding amounts receivable under UDAG. In addition, we recommend that the reconciliation of the UDAG account be designated to one department within the City.

Management's Response

Concur. The Bureau of Accounting maintains the official financial records of the City. These records will be periodically provided to the Office of Economic Development.

Completion Date

July 1, 2002

Contact

Wayne DeLange, Comptroller

STATUS OF THE 2000 RECOMMENDATIONS

The following is a summary of the 2000 recommendations from our report dated June 1, 2000 and the status of implementation thereof:

	Implemented	Partially Implemented	Not Implemented
<ul style="list-style-type: none"> Management should develop a database of current and historical general and police reserves and workers' compensation reserves. 			X
<ul style="list-style-type: none"> A detailed review of outstanding commitments should be performed at the end of each fiscal year. 		X	
<ul style="list-style-type: none"> The internal audit department should consider periodically performing surprise paycheck distributions at the various City departments, requiring proper identification of employees. 			X
<ul style="list-style-type: none"> Maintain debt amortization schedules and implement the GRS module relating to the general long-term debt account group in the general ledger system. 		X	
<ul style="list-style-type: none"> Implement additional procedures to control the use of copyrighted software, including the authorization of periodic audits of installed software and standardized filing of software. 			X
<ul style="list-style-type: none"> Evaluate workloads and staffing levels in the Finance Department. 			X
<ul style="list-style-type: none"> Many municipalities establish minimum levels of fund balance beyond which levels they will not encroach except in unusual or extraordinary circumstances. The City should establish its budgeting process a minimum level of fund balance. 			X
<ul style="list-style-type: none"> Consider expanding the size and staffing levels of the internal audit department. 			X

	Implemented	Partially Implemented	Not Implemented
• Explore alternative to manually reentering information that is already maintained in electronic format.			X
• Begin the process of assessing its records regarding the historical cost of infrastructure.		X	
• Review the capitalization policy to determine the advisability of recording fixed assets with low dollar values or short life spans.		X	
• A Disaster Recovery Plan needs to be developed, documented and tested.			X
• Additional research of certain trust funds should be performed to determine their legal status and whether the requirements of each of these funds are being met.			X
• The City should exercise additional oversight of component units to ensure that their financial reports will be received in a timely manner.		X	
• The City should consider developing a formal long-term fiscal plan.		X	
• Dual-in access – Management Information Systems will generate a report that display unsuccessful attempts at gaining access to the system.	X		
• Investments – Management will reevaluate the investment portfolio to the general ledger on a monthly basis.	X		
• Capitalization policy – Management should consider increasing the capitalization limit to \$5,000.	X		

APPENDIX

MANAGEMENT'S RESPONSIBILITY FOR, AND THE OBJECTIVES AND LIMITATIONS OF, THE INTERNAL CONTROL.

The following statements concerning management's responsibility for internal control and the objectives of and the inherent limitations in the internal control structure are adapted from the *Statements on Auditing Standards* of the American Institute of Certified Public Accountants.

Management's Responsibility

Management is responsible for establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls.

Objectives

The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.

Limitations

Because of inherent limitations in any internal control structure, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal control in future periods are subject to the risk that the internal control may become inadequate because of changes in conditions or that the degree of compliance with the policies and procedures may deteriorate.

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CITY OF NEW ORLEANS

**SINGLE AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2001**

**CITY OF NEW ORLEANS
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Member
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Certified Public Accountants
Society of Accountants
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Richard E. Frome, CPA
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Roderic J. Shew, Jr., CPA

INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Members of the
City Council and the
Honorable C. Ray Nagin, Mayor
City of New Orleans, Louisiana

We have audited the Schedule of Expenditures of Federal Awards of the City of New Orleans, Louisiana, for the year ended December 31, 2001. The Schedule of Expenditures of Federal Awards is the responsibility of the management of the City of New Orleans. Our responsibility is to express an opinion on the Schedule of Expenditures of Federal Awards based on our audit. The accompanying Schedule of Expenditures of Federal Awards is not a part of the City of New Orleans' general purpose financial statements for the year ended December 31, 2001. The general purpose financial statements were audited by other auditors whose report has been provided to us.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations. Those standards and the provisions of OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Expenditures of Federal Awards is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Expenditures of Federal Awards. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Expenditures of Federal Awards. We believe that our audit provides a reasonable basis for our opinion.

**INDEPENDENT AUDITORS' REPORT ON THE
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE,
(CONTINUED)**

To the Members of the
City Council and the
Honorable C. Ray Nagin, Mayor
City of New Orleans, Louisiana
Page 2

In our opinion, the accompanying Schedule of Expenditures of Federal Awards of the City of New Orleans presents fairly in all material respects, the expenditures of federal awards of all federal programs for the year ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

As further discussed in Notes 4, 5 and 9, the City of New Orleans has been requested by federal agencies to remit funds for ineligible and disallowed costs, and has failed to comply with certain contractual and programmatic requirements with regard to its federal awards programs during the year ended December 31, 2001 and in previous years. The determination of whether the identified instances of noncompliance will ultimately result in a disallowance of costs cannot be presently determined. Also, as discussed in the Current Status of Other Federal Audits on page B1, the City of New Orleans has not received the results of the U. S. Department of Housing and Urban Development's Monitoring/Technical Assistance site visit for the year ended December 31, 2001. As a result, we are unable to determine if there are instances of noncompliance which should be reported and also may be material to the Schedule of Expenditures of Federal Awards. Accordingly, the Schedule of Expenditures of Federal Awards does not include any adjustments for these matters.

In accordance with Government Auditing Standards, we have also issued a report dated June 14, 2002 on our consideration of the City of New Orleans internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit. Also, that report identified instances of noncompliance.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 14, 2002

Bruno & Tervalon LLP
Certified Public Accountants

CITY OF NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

FEDERAL GRANTOR/PROGRAM NAME	FEDERAL CFDA or OTHER NUMBER	PASS-THROUGH ENTITY'S NUMBER	ACTIVITY
U. S. Department of Agriculture			
<u>Direct Awards</u>			
Agricultural Research -			
Basic and Applied Research			
Awards from a Pass-Through Entity			
Through State of Louisiana's			
Department of Social Services	10.001		\$ 202,020
Special Supplemental Nutrition Program for			
Women, Infants and Children -			
Administrative Costs	10.537	CFM5553940	808,437
Special Supplemental Nutrition Program for			
Women, Infants and Children -			
Food Insecure (NUTR 14)	10.537	CFM5553940	1,403,948
Through: Associated Catholic Charities			
Commodity Supplemental Food Program	10.565	PH001 94100 CSFP2001	161,641
<u>Sub-grant - Awards from a</u>			
<u>Pass-Through Entity</u>			
Total U. S. Department			1,432,433
of Agriculture			1,432,433

See the notes to the Schedule of Expenditures of Federal Awards.
 (CONTINUED)

**CITY OF NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

(CONTINUED)

FEDERAL GRANTOR/PROGRAM NAME

U. S. Department of Commerce

Awards from a Pass-Through Entity

Through: State of Louisiana's

Department of Natural Resources

Coastal Zone Management

Administration

**Total U. S. Department
of Commerce**

FEDERAL

CFDA or

OTHER

NUMBER

PASS-THROUGH

ENTITY'S

NUMBER

ACTIVITY

11A59

NA07000162

\$ 1,621

1,621

See the notes to the Schedule of Expenditures of Federal Awards.
(CONTINUED)

CITY OF NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

(CONTINUED)

FEDERAL GRANTOR/PROGRAM NAME	FEDERAL CFDA or OTHER NUMBER	PASS-THROUGH ENTITY'S NUMBER	ACTIVITY
U.S. Department of Housing and Urban Development			
<u>Block Grants</u>			
Urban Development Action Grants- Cumulative Program Income	14-231	-----	8,996,314
Urban Development Action Grants- Cumulative Program Income	14-231	-----	(250,000)
Urban Development Action Grants- Grantee Loans (NOTE 6)	14-231	-----	11,008,609
Urban Development Action Grants- American Can Project Loan (NOTE 6)	14-231	-----	1,000,000
Community Development Block Grants- Special Purpose Grants	14-237	-----	528,994
Emergency Shelter Grants Program	14-231	-----	608,471
Shelter Plus Care	14-238	-----	373,341
Homes Investment Partnerships Program	14-239	-----	9,200,163
Housing Opportunities for Persons with AIDS	14-241	-----	2,118,727
Brownfield Economic Development Initiative- Grantee Loan (NOTE 8)	14-246	-----	500,000
Community Development Block Grants- Section 108 Loan Guarantees (NOTE 7)	14-248	-----	29,375,518
			29,480,952

Sub-total - Direct Awards

See the notes to the Schedule of Expenditures of Federal Awards.
 (006 TMS/ED)

CITY OF NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U. S. Department of Housing and Urban Development, Continued</u>			
<u>Office of Environment and Small Cities Change</u>			
Direct Awards			
Community Development Block Grants	14-218	-----	\$12,821,124
<u>Awards from a Pass-Through Entity</u>			
Through: State of Louisiana's			
Department of Social Service	14-231	CRSS 547852399272	200,671
Emergency Shelter Grant		596119	
Through: Housing Authority of New Orleans			
Public and Indian Housing Drug Elimination Program	14-284	LA48DEP06101199	106,939
Public and Indian Housing Drug Elimination Program	14-284	LA48DEP06100161	905,892
<u>Subtotal - Awards from a Pass-Through Entity</u>			<u>113,492</u>
Total U. S. Department of Housing and Urban Development			92,117,129

See the notes to the Schedule of Expenditures of Federal Awards.
 (CONTINUED)

CITY OF NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U. S. Department of Interior</u>			
<u>Blood Awards</u>			
Mandatory Blood Banding and Dues Analysis	15-976	-----	\$ <u>11,738</u>
Total U. S. Department of Interior			<u>11,738</u>
<u>U. S. Department of Justice</u>			
<u>Blood Awards</u>			
Executive Office of Blood and Seed Plan	16-495	-----	331,213
Comprehensive Domestic Violence Program	16-288	-----	219,898
Local Law Enforcement Blood Grant Program	16-492	-----	2,400,871
High Intensity Drug Trafficking	1996CP445	-----	28,994
Weapon of Mass Destruction	TE-CX-0179	-----	<u>1,178</u>
Sub-total - Direct Awards			<u>3,081,054</u>

See the notes to the Schedule of Expenditures of Federal Awards.
 (CONTINUED)

CITY OF NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
U. S. Department of Justice, Continued			
<i>Awards from a Pass-Through Entity</i>			
Through State of Louisiana's Commission on Law Enforcement			
Juvenile Accountability Incentive Block Grants	16-573	488-9-910103	\$ 338,003
Electronic Equipment	N/A	790-9-009	
		790-790-9-002	18,485
Juvenile Justice and Delinquency Prevention	16-548	94-95-97-98	
		JP-73-0022	189,350
B Byrne Formula Grant Program	16-579	9-99-9-0150137	
		003-002-001	784,506
Title V - Delinquency Prevention Program	16-548	96-97 JP-73-0023	
		VA 63-002	52,794
Criton Victim Assistance	16-575	97-C09C94-9	4,820
Violence Against Women Formula Grant	16-548	94-98-9-002	<u>283,238</u>
<i>Subtotal - Awards from a Pass- Through Entity</i>			<u>1,427,896</u>
Total U. S. Department of Justice			<u>4,593,886</u>

See the notes to the Schedule of Expenditures of Federal Awards.
 (CONTINUED)

CITY OF NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

(CONTINUED)

FEDERAL GRANTOR/PROGRAM NAME	FEDERAL CFDA or OTHER NUMBER	PASS-THROUGH ENTITY'S NUMBER	ACTIVITY
U. S. Department of Labor			
Direct Awards			
Welfare to Work to State and Localities	17,255		\$ 1,159,067
HHS Visa Tech Skills	17,269		490,134
			<u>1,649,201</u>
Sub-award-Awards			
Awards from a Pass-Through Entity			
Through: State of Louisiana's Department of Labor			
Welfare to Work to State and Localities	17,255	794329-8-00-51-50	3,614,935
Job Training Partnership Act (NOTICE 12)	17,259	AA-18250-00-50	9,582
Workforce Investment Act-Adult	17,258	AA-18250-00-50	1,906,034
Workforce Investment Act-Youth	17,259	AA-18250-00-50	182,578
Workforce Investment Act(Dislocated Worker)	17,260	AA-18250-00-50	202,724
			<u>6,213,953</u>
Sub-award-Awards from a Pass-Through Entity			
Total U. S. Department of Labor			<u>1,113,274</u>

See the notes to this Schedule of Expenditures of Federal Awards.
 (CONTINUED)

CITY OF NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

(CONTINUED)

<u>FEDERAL GRANT OR PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
<u>U. S. Department of Transportation</u>			
<u>Direct Awards</u>			
Airport Improvement Program- New Orleans Aviation Board	20.104	-----	34,533,792
<u>Awards from a Pass-Through Entity</u>			
<u>Through: State of Louisiana's</u>			
Department of Transportation			
Highway Planning and Construction	20.205	001200014001030004	1,227,427
Roadway Incident Management Program	N/A	INCH-MA7P-002	91,230
<u>Through: State of Louisiana's</u>			
Highway and Safety Construction			
Safe and Sound	N/A	00-210127	92,419
Bridges	N/A	0127-41	2,928
Traffic Crash Data	N/A	9261-06	21,349
LISSC: Equipment	N/A	0199-02-07	2,518
<u>Sub-Post Award from a</u>			
<u>Pass-Through Entity</u>			
Total U. S. Department of Transportation			<u>1,297,291</u>
			<u>6,327,278</u>

See the notes to the Schedule of Expenditures of Federal Awards.
 (CONTINUED)

**CITY OF NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

(CONTINUED)

FEDERAL GRANT/PROGRAM NAME	FEDERAL CFDA or OTHER NUMBER	PASS-THROUGH ENTITY'S NUMBER	ACTIVITY
<u>U. S. Department of Treasury</u> <u>Direct Awards</u>			
Oleag Resistance Education and Training	21.053	-----	\$ 5,046
Total U. S. Department of Treasury			
<u>Environmental Protection Agency</u>			
<u>Direct Awards</u>			
New Orleans Riverfields Project - Superfund Site - Specific Cooperative Agreements	66.003	-----	63,128
Total Environmental Protection Agency			
			63,128

See the notes to the Schedule of Expenditures of Federal Awards.
(CONTINUED)

CITY OF NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

(CONTINUED)

FEDERAL GRANTOR/PROGRAM NAME	FEDERAL CFDA or OTHER NUMBER	PASS-THROUGH ENTITY'S NUMBER	ACTIVITY
Awards from a Pass-Through Entity: Federal Emergency Management Agency Direct Awards Emergency Management-State and Local Assistance	81.534	-----	\$ 195,371 195,371
Sub-local/Non-Federal Awards			
Awards from a Pass-Through Entity: Through State of Louisiana's Emergency Management Emergency Management-State and Local Assistance	81.534	077-01049	685,552 685,552
Total Federal Emergency Management Agency			1378,948

See the notes to the Schedule of Expenditures of Federal Awards.
 (CONTINUED)

CITY OF NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

(CONTINUED)

<u>FEDERAL GRANTOR/PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
U. S. Department of Health and Human Services			
Direct Awards			
Health Center Grants for Homeless Population	\$3,131	-----	\$1,260,436
Community Prevention Coalitions (Partnership)	282-09-0023	-----	34,645
Medical Response	\$3,134	-----	243,264
Demonstration Grant	\$3,828	-----	1,832,455
Healthy Start Initiative-Grant Expectations Program			
Self-start - Direct Awards			1,201,378

See the notes to the Schedule of Expenditures of Federal Awards.
 (CONTINUED)

CITY OF NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

(CONTINUED)

FEDERAL GRANTOR/PROGRAM NAME	FEDERAL CFDA or OTHER NUMBER	PASS-THROUGH ENTITY'S NUMBER	ACTIVITY
U.S. Department of Health and Human Services - Continued			
<u>HIV Emergency Relief Cluster</u>			
<u>Direct Awards</u>			
HIV Emergency Relief Project Grant-Ryan White Program	91.514	-----	\$ 6,623,258
<u>Sub-Grant - HIV Emergency Relief Cluster</u>			<u>6,623,258</u>
 <u>Awards from a Pass-Through Entity</u>			
Through State of Louisiana's Departments of Health and Hospitals and Social Services Environment Zones Program	91.585	370014907	443,777
EPSCOT Medical	N/A	1410002	903,923
Preventive Health and Health Services Block Grant	91.591	CFM4556400/051721	194,271

See the notes to the Schedule of Expenditures of Federal Awards.
 (CONTINUED)

CITY OF NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

(CONTINUED)

<u>FEDERAL GRANT OR PROGRAM NAME</u>	<u>FEDERAL CFDA or OTHER NUMBER</u>	<u>PASS-THROUGH ENTITY'S NUMBER</u>	<u>ACTIVITY</u>
U. S. Department of Health and Human Services, Continued			
<i>Awards from a Pass-Through Entity:</i>			
Through: State of Louisiana's Department of Health and Hospital and Social Services, Continued			
Maternal and Child Health Services Block Grant	93.994	DE0001890518002	\$ 73,113
Concern for Disease Control and Prevention- Investigation and Technical Assistance	93.283	18344670156	108,433
LAPPS	N.A.	CFN20345348	18,477
Hennepin Dental	N.A.	1880093	43,447
Through: National Black Women's Health Project, Inc.			
Preventive Health Services -			
STD Research, Demonstration Grant	93.978	U907000317	43,256
Subtotal - Awards from a Pass- Through Entity			<u>1,843,217</u>
Total U. S. Department of Health and Human Services			<u>11,892,532</u>
Total Expenditures of Federal Awards- City of New Orleans			<u>\$14,084,451</u>

N.A.=Not Available.

See the notes to the Schedule of Expenditures of Federal Awards.

CITY OF NEW ORLEANS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 1 - BACKGROUND:

The City of New Orleans, Louisiana, (the City) was incorporated in 1811. The City's system of government is established by its Home Rule Charter which became effective in 1914. The City operates under a Mayor-Council form of government. The City provides the following types of services as authorized by its charter: public health and safety, streets, sanitation, water and sewerage, planning and zoning, recreation, and general administrative service. Education and welfare are administered by other governmental entities.

NOTE 2 - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal award programs of the City that were received directly from Federal agencies or passed through other governmental agencies.

The City has prepared this schedule of Expenditures of Federal Awards to comply with the provisions of Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. OMB Circular A-133 stipulates that a Schedule of Expenditures of Federal Awards be prepared showing total expenditures for each federal awards program as identified in the Catalog of Federal Domestic Assistance and for other federal financial awards that have not been assigned a catalog number.

CITY OF NEW ORLEANS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 3 - BASIS OF ACCOUNTING PRESENTATION.

Grant expenditures in the Schedule of Expenditures of Federal Awards are generally recognized under the modified accrual basis of accounting when the related liability is incurred, if measurable. Vacation and sick leave are recognized when paid. Current grant expenditures include direct expenditures and expenditures of federal awards passed through from another governmental agency.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units. The preparation of the Schedule of Expenditures of Federal Awards in conformity with generally accepted accounting principles requires management to make assumptions that affect the reported amount of expenditures during the reporting period. Actual results could differ from these estimates.

NOTE 4 - QUESTIONED COSTS.

The City of New Orleans and certain sub-recipients who received funds from the City have expended certain federal grant funds in a manner that may have violated certain restrictive provisions of the related grants. The related questioned cost amounts as reported in the current and prior Single Audit reports pertinent to such actions excluding audit findings that were no longer valid based upon the provisions of OMB Circular A-133 Section 315(b)(6) are as follows:

<u>Program Year</u>	<u>Amount</u>
<u>CITY of New Orleans</u>	
December 31, 1994 through	
December 31, 2000	\$ 5,348,663
December 31, 2001	<u>1,474,837</u>
Total	<u>\$ 6,823,500</u>

CITY OF NEW ORLEANS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 4 - QUESTIONED COSTS, CONTINUED:

<u>Sub-recipients</u>	
December 31, 1998 through	
December 31, 2001	\$1,626,261
Total	\$1,626,261

Also, as a result of sub-recipient monitoring performed by independent accountants, questioned costs totaling \$726,355 was noted. See page 88 for further details.

The ultimate resolution or determination as to whether the questioned costs will be allowable or unallowable under the affected grants will be made by the various funding sources and cannot be determined at this time. As such, management of the City is presently unable to determine a reasonable estimate of the possible federal claims for refunds of the noted grant funds. Accordingly, no provision or adjustment has been made to the Schedule of Expenditures of Federal Awards.

NOTE 5 - INELIGIBLE/DISALLOWED AND QUESTIONED COSTS:

As of the date of this report, funding sources have reviewed the operations and activities of certain programs and have rendered determinations as detailed in the status of other audits performed by Federal Auditors. Such ineligible/disallowed costs aggregated \$7,827,961 with repayments and credit reductions of such ineligible/disallowed costs totaling \$3,532,360 as of December 31, 2001. When required, the repayment of the ineligible/disallowed costs is funded from non-federal funds. However, the Schedule of Expenditures of Federal Awards has not been adjusted for any such repayments. See pages 80 and 81 for further details.

CITY OF NEW ORLEANS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 6 - GRANTEE LOANS - UDAG:

The City has received certain grant awards from the United States Department of Housing and Urban Development (HUD) for the purpose of providing loans to the private sector for completion of projects that will stimulate economic development activity in the City. Twelve individual loans are outstanding at December 31, 2001, totaling \$12,888,619 which bear interest at rates ranging from zero percent to seven percent. These loans are receivable over a fifteen-to-thirty-year period and are recorded as deferred revenue at December 31, 2001. Once loan payments are received and the project is accepted by HUD, the City may use the amounts received for other allowable economic development activities as specified in the grant agreement.

During the year ended December 31, 2000, the city utilized \$1,400,000 of HUD's program income to fund the American Can Project. Such funding was in the form of a loan which bore interest at 7% and matures in January 2048.

The future maturities of grantee loans receivable as of December 31, 2001, are as follows (in thousands of dollars):

<u>Year Ending</u> <u>December 31,</u>	
2002	\$ 1,088,819
2003	623,604
2004	628,730
2005	623,107
2006	628,490
2007 and thereafter	<u>9,383,867</u>
	<u>\$12,888,619</u>

CITY OF NEW ORLEANS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 7 - HUD SECTION 108 LOANS:

During the years ended December 31, 1999 and 2000, the City entered into contracts for loan guarantee assistance under Section 108 of the Housing and Community Development Act of 1974, with the Secretary of Housing and Urban Development (HUD) as guarantor. The City received these loans in order to fund its commitments to Jaxland for the development of a theme park and to American Can. During the years prior to and as of December 31, 2001, \$26,309,000 was disbursed to Jaxland and \$6,100,000 was disbursed to the American Can Project. The management of the City of New Orleans has not indicated what effect this condition will have on the required repayments. These loans consist of notes bearing interest at either 6.75% to 8.75% or variable interest rates based upon the London Interbank Offered Rate (LIBOR). Repayments totaling \$524,482 have been received by the City of New Orleans through December 31, 2001. As of December 31, 2001, the entire remaining balance of \$20,209,000 is recorded as a liability in the City of New Orleans' General Long-Term Debt Account Group.

CITY OF NEW ORLEANS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 7 - HUD SECTION 108 LOANS, CONTINUED.

The requirements to amortize the remaining Section 108 loan is as follows:

<u>Interest Period</u>	<u>Interest</u>	<u>Principal</u>
<u>Interest Period</u>		
2002	\$ 1,348,068	\$ 1,381,823
2003	1,786,179	1,883,588
2004	1,888,888	1,196,028
2005	1,800,483	1,281,289
2006	1,496,179	1,381,578
Thereafter	<u>1,048,648</u>	<u>10,182,631</u>
<u>Sub-Total</u>	<u>8,270,457</u>	<u>28,226,538</u>
<u>American Can Project</u>		
2002	\$ 100,000	\$ -0-
2003	99,518	69,821
2004	97,928	90,649
2005	96,038	96,818
2006	94,128	97,880
Thereafter	<u>1,728,288</u>	<u>4,684,331</u>
<u>Sub-Total</u>	<u>2,213,082</u>	<u>5,869,589</u>
<u>Total</u>	<u>\$10,483,539</u>	<u>\$34,096,127</u>

CITY OF NEW ORLEANS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001

**NOTE 8 - BROWNSFIELD ECONOMIC DEVELOPMENT
INITIATIVE GRANT _____ :**

During the year ended December 31, 2003, the City received a Brownsfield Economic Development Initiative (BEDI) grant in the amount of \$1,000,000 that was utilized to fund the City's American Can Renewal project. The City disbursed \$688,000 to the project in the form of a grant with the remaining amount of \$310,000 being required to be repaid at 2% interest. The loan matures in January, 2008. The requirements to amortize the BEDI loan is as follows:

<u>Year</u>	<u>Interest</u>	<u>Principal</u>
2003	\$ 10,000	\$ -0-
2004	9,866	6,982
2005	9,792	9,361
2006	9,603	9,514
2007	9,413	9,746
Thereafter	<u>172,826</u>	<u>344,433</u>
Total	<u>\$221,305</u>	<u>\$ 500,289</u>

CITY OF NEW ORLEANS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 9 - CONTINGENCY:

The City of New Orleans is a recipient of numerous grants and awards of Federal funds. These grants and awards are governed by various Federal guidelines, regulations, and contractual agreements.

The administration of the programs and activities funded by these grants and awards is under the control of the City of New Orleans and is subject to audit and/or review by the applicable funding source. Any grant or award funds found not to be properly spent in accordance with the terms, conditions, and regulations of the funding source may be subject to recapture.

The audit of the federal award programs of the City of New Orleans for the year ended December 31, 2001 disclosed instances of non-compliance that may be material to the Schedule of Expenditures of Federal Awards, but for which the ultimate resolution cannot presently be determined.

NOTE 10 - MAJOR FEDERAL AWARDS PROGRAMS:

The City of New Orleans' major federal awards programs for the year ended December 31, 2001, were determined based upon program activity. The City's major federal awards programs for the year ended December 31, 2001, were all federally assisted programs for which program activity was equal to or greater than \$2,482,898 during the year ended December 31, 2001. Additionally, six (6) Type B high risk programs with funds less than \$2,482,098 were substituted for three Type A low risk programs.

CITY OF NEW ORLEANS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 11 - FEDERAL EXPENDITURES TO SUBRECIPIENTS:

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the City of New Orleans provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount provided To Subrecipients</u>
Special Supplemental Program	10.557	\$ 68,886
Community Development Block Grants	14.216	8,000,525
Urban Development Action Grant	14.321	450,800
Special Purpose Grants	14.327	809,337
Emergency Shelter Grant	14.331	759,456
Shelter Plus Care	14.338	
Home Investment Partnership Program	14.339	8,494,172
Housing Opportunities for Persons with AIDS	14.341	1,800,844
Title V Delinquency Program	16.648	27,880
Local Law Enforcement and Block Grant	16.592	1,355,481
Weed and Seed	16.595	70,888
Comprehensive Domestic Violence	16.598	322,380
Welfare-to-Work	17.253	4,867,497
Workforce Investment	17.258/259/ 260	2,438,823
Health Center Grants for Homeless Population	93.151	377,882
Demonstration Grant	93.154	347,459
Empowerment Zones Program	93.165	384,934
HIV Emergency Relief Formula Grant	93.914	5,356,587
Healthy Start Initiative	93.926	<u>1,572,434</u>
Total		<u>\$26,903,822</u>

CITY OF NEW ORLEANS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 12 - STATE GRANTS

The City of New Orleans receives non-federal funds from the State of Louisiana to perform certain public programs. Expenditures and adjustments to expenditures for the year ended December 31, 2001 are as follows:

<u>State Grantor Agency/ Program Name</u>	<u>Contract Number</u>	<u>Expenditures and Adjustments</u>
<u>Louisiana Department of Health and Human Resources</u>		
Carver High Clinic	1415255	\$ 44,844
S.T.M. School Clinic	1344784	10,027
Mobile Dental Care	1880053	44,855
WREDF Rental	1880027/188013/ 25	86,013
Carver Clinic	5633611/ 544864	143,026
S.T.W. Clinic	563353/544864	38,199
Crisis Trauma Center	8498-18-358 8498-18-407	143,422
		<u>458,378</u>
<u>Louisiana Department of Culture, Recreation and Tourism</u>		
Library State Aid	n/a	105,848
Portchartrain Park/ Schabel Playground/ Bart Town	361-361	131,864
		<u>237,712</u>

CITY OF NEW ORLEANS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2001

NOTE 12 - STATE GRANTS, CONTINUED

State Grantor Agency/ Program Name	Contract Number	Expenditures and Adjustments
<u>LA Department of Agriculture and Forestry</u>		
Urban and Community Forestry	00-M001-9	\$ 2,802
<u>Facility Planning and Control</u>		
St. Bernard Center Improvement	P 10205A	16,597
Behrman Stadium	WFC50M1	319,183
		<u>335,780</u>
<u>Louisiana Department of Family Services</u>		
Hearing Office Program	355700134	<u>62,311</u>
<u>Louisiana Department of Transportation and Development</u>		
Barham Corridor	743-07-28	207,000
Tchoupitoulas Street	743-07-62	1,818,862
		<u>2,025,862</u>
Total State Grant Expenditures		\$ 5,474,580

NOTE 13 - JOB TRAINING PARTNERSHIP ACT (JTPA)

\$9,302 of JTPA grant funds under OTDA 17,285/17,250 were transferred to and utilized to fund workforce investment act program expenditures.

**NOTE 14 - SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR
WOMEN, INFANTS AND CHILDREN - FOOD ISSUANCE**

The City of New Orleans, in conjunction with the State of Louisiana Department of Health and Hospitals, administers the Women, Infants and Children Supplemental Program (WIC). As a result, eligible participants received WIC drafts to obtain WIC food packages totaling \$8,469,988.



Bruno & Tervolan LLP
American Institute of
Certified Public Accountants
New Orleans
Certified Public Accountants

Michael R. Harris, CPA
ACSO-C. Tervolan, Jr., CPA
Michael J. Morel, Jr., CPA

**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Members of the
City Council and the
Honorable C. Ray Nagin, Mayor
of the City of New Orleans
New Orleans, Louisiana

We have audited the Schedule of Expenditures of Federal Awards of the City of New Orleans, Louisiana as of and for the year ended December 31, 2001, and have issued our report thereon dated June 14, 2002. The general purpose financial statements were audited by other auditors whose report has been provided to us. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. As discussed in Notes 4, 5 and 9, the City of New Orleans has been requested by federal agencies to remit funds for ineligible and disallowed costs totaling \$1,995,591 and has failed to comply with certain contractual and programmatic requirements with regard to its federal award programs during the year ended December 31, 2001 and in previous years. Such failures to comply with certain contractual and programmatic requirements resulted in questioned costs totaling \$8,835,659.

Also, as described on page 81, the City of New Orleans has not received the results of the U. S. Department of Housing and Urban Development's monitoring/technical assistance site visit for the year ended December 31, 2001.

**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

(CONTINUED)

To the Members of the
City Council and the
Honorable C. Ray Nagin, Mayor
of the City of New Orleans
New Orleans, Louisiana

Compliance

As part of obtaining reasonable assurance about whether the City of New Orleans' Schedule of Expenditures of Federal Awards is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of the Schedule of Expenditures of Federal Awards' amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests of compliance disclosed instances of noncompliance that might be material to the Schedule of Expenditures of Federal Awards, but for which the ultimate resolution cannot presently be determined. The instances of non-compliance are identified in Schedule III as audit findings 2001-01 and 2001-02. Also, our December 31, 2001 audit of the federal programs resulted in questioned costs totaling \$3,474,837, which is material to the Schedule of Expenditures of Federal Awards, but the ultimate resolution cannot be presently determined. We also noted other immaterial instances of noncompliance that we have reported to management of the City of New Orleans in a separate letter dated June 14, 2002.

Under the terms and conditions of certain contracts and grants, the City of New Orleans disburses grants and awards to certain sub-recipients who are audited by other independent auditors and monitored by Independent Accountants engaged by the City of New Orleans and the City Council of New Orleans. Also, the City of New Orleans is periodically audited by federal agencies. The other independent auditors, independent accountants and federal auditors have furnished their audit and agreed-upon procedures reports to us. The audit and agreed-upon procedures reports contained instances of non-compliance pertaining to programmatic and financial activities of certain sub-recipients and the City of New Orleans. The scope of our work was not sufficient to express, and we do not express an opinion on the completeness of the findings. However, information on the effect of the reported findings is included in the Current Status of Other Audits and Program Reviews performed by Federal Auditors and other Independent Auditors section starting on page 80 and the Summary of Other Independent Accountants' fiscal and programmatic monitoring on page 90.

**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

(CONTINUED)

To the Members of the
City Council and the
Honorable C. Ray Nagin, Mayor
of the City of New Orleans
New Orleans, Louisiana

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the City of New Orleans' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the Schedule of Expenditures of Federal Awards and not to provide assurance on the internal control over financial reporting. Other independent auditors issued a report in which they reported separately on the results of their study and evaluation of the City of New Orleans internal control over financial reporting as a part of their audit of the general purpose financial statements.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the Schedule of Expenditures of Federal Awards being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we did note other matters involving the internal control over financial reporting that we have reported to management of the City of New Orleans in a separate letter dated June 14, 2002.

INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

(CONTINUED)

To the Members of the
City Council and the
Honorable C. Ray Nagin, Mayor
of the City of New Orleans
New Orleans, Louisiana

This report is intended for the information and use of the members of the City Council, the Mayor of the City of New Orleans, management and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 14, 2002

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

To the Members of the
City Council and the
Honorable C. Ray Nagin, Mayor
of the City of New Orleans
New Orleans, Louisiana

Compliance

We have audited the compliance of the City of New Orleans with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2001. The City of New Orleans' major federal programs are identified in the summary of the independent auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of New Orleans' management. Our responsibility is to express an opinion on the City of New Orleans' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

(CONTINUED)

To the Members of the
City Council and the
Honorable C. Ray Nagin, Mayor
of the City of New Orleans
New Orleans, Louisiana

types of compliance requirements referred to previously that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of New Orleans' compliance with these requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of New Orleans' compliance with these requirements.

As described in Schedule III, audit findings 2001-04, 2001-07, 2004-09, 2004-11, 2004-12 and 2004-13 in the accompanying schedule of findings and questioned costs, the City of New Orleans did not comply with the requirements to properly procure contracts, monitor departmental activities and compliance with the Davis-Bacon Act, ensure allowable activities were performed, document program income and compliance with matching and site-inspection requirements, that are applicable to its Home Investment Partnership, Emergency Shelter Grant and Community Development Block Grant programs. Compliance with such requirements is necessary in our opinion, for the City of New Orleans to comply with requirements applicable to these programs. In addition, the results of our audit procedures disclosed instances of non-compliance with the previously noted requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in Schedule III in the accompanying schedule of findings and questioned costs as items 2001-05, 2001-05, 2001-06, 2001-08, 2001-10, 2001-14, 2004-15, 2001-16, and 2001-17.

In our opinion, except for the City of New Orleans' failures to properly procure contracts, monitor departmental activities and compliance with the Davis-Bacon Act, ensure allowable activities were performed, document program income and compliance with matching and site inspection requirements, as described in the preceding paragraph, the City of New Orleans complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

(CONTINUED)

To the Members of the
City Council and the
Honorable C. Ray Nagin, Mayor
of the City of New Orleans,
New Orleans, Louisiana

Under the terms and conditions of certain contracts and grants, the City of New Orleans disburses grants and awards to certain sub-recipients who are audited by other independent auditors and monitored by Independent Accountants engaged by the City of New Orleans and the City Council of the City of New Orleans. Also, the City of New Orleans is periodically audited by federal agencies. The other independent auditors, independent accountants, and federal auditors have furnished their audit and agreed-upon procedures reports to us. The audit and agreed-upon procedures reports contained instances of non-compliance pertaining to programmatic and financial activities of certain sub-recipients and the City of New Orleans. The scope of our work was not sufficient to express, and we do not express an opinion on the completeness of the findings. However, information on the effect of the reported findings is included in the Current Status of Other Audit and Program Reviews performed by Federal Auditors and other Independent Auditors section starting on page 88 and the Summary of Other Independent Accountants fiscal and programmatic monitoring on page 90.

Internal Control Over Compliance

The management of the City of New Orleans is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of New Orleans' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

(CONTINUED)

To the Members of the
City Council and the
Honorable C. Ray Nagin, Mayor
of the City of New Orleans
New Orleans, Louisiana

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City of New Orleans' ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in Schedule III in the accompanying schedule of findings and questioned costs as items 2001-03, 2001-04, 2001-05, 2001-07, 2001-08, 2001-09, 2001-11, 2001-12, 2001-13, 2001-14, 2001-15, 2001-16 and 2001-17.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable conditions entitled Procurement, Internal Control-Departmental Programmatic Activities, Basic-Budget Act, Allowable Activities, On-Site Inspections, Program Income, Financial Reporting, Reporting, Cost Allocation and Matching are material weaknesses. Such reportable conditions are identified as audit findings 2001-04, 2001-05, 2001-07, 2001-09, 2001-11, 2001-12, 2001-13, 2001-14, 2001-15 and 2001-17.

We also noted other matters that we have reported to the management of the City of New Orleans in a separate letter dated June 14, 2002.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

(CONTINUED)

To the Members of the
City Council and the
Honorable C. Ray Nagin, Mayor
of the City of New Orleans
New Orleans, Louisiana

This report is intended solely for the information and use of the members of the City Council, the Mayor of the City of New Orleans, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 14, 2002

SCHEDULE I

SUMMARY OF THE

INDEPENDENT AUDITORS' RESULTS

CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS
FOR THE YEAR ENDED DECEMBER 31, 1993

1. Type of report issued on the financial statements unqualified.
2. Did the audit disclose any reportable conditions in internal control yes.
3. Were any of the reportable conditions material weaknesses no.
4. Did the audit disclose any noncompliance which is material to the financial statements of the organization yes; also, an uncertainty exists whether the ultimate resolution cannot presently be determined.
5. Did the audit disclose any reportable conditions in internal control over major programs yes.
6. Were any of the reportable conditions in internal control over major programs material weaknesses yes.
7. Type of report issued on compliance for major programs qualified.
8. Did the audit disclose any audit findings which the independent auditors are required to report under OMB Circular A-133, Section 310(a) yes.
9. The following is an identification of major programs:

CFDA Number	Name of Federal Program
10.557	Special Supplemental Nutrition Program for Women, Infants and Children
14.218	Community Development Block Grant
14.221	Urban Development Action Grant - Cumulative Program Income
14.231	Emergency Shelter Grant
14.239	Home Investment Partnerships Program
16.592	Local Law Enforcement Block Grant program
17.258	Job Training Partnership Act
17.293	Welfare to Work
17.298/17.299/17.260	Workforce Investment Act
83.914	HIV Emergency Relief Project Grant

SCHEDULE I

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2001
(CONTINUED)**

10. The dollar threshold used to distinguish between Type A and Type B Programs, as described in OMB Circular A-133, Section 520(b) is as follows:

<u>Program</u>	<u>Amount</u>
Type A	\$2,482,060

11. Did the auditee qualify as a low-risk auditee under OMB Circular A-133, Section 520
no.

SCHEDULE II

**FINANCIAL STATEMENT FINDINGS FOR THE
YEAR ENDED DECEMBER 31, 2001**

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FINANCIAL STATEMENT FINDINGS**

COMPLIANCE

Audit Finding Reference Number

2004-01 Monitoring

Federal Program and Specific Federal Award Identification

CFDA Title and Number

14.218 Community Development Block Grants
14.221 Urban Development Action Grant-Cumulative Program Income
14.221 Urban Development Action Grant-American Can
14.239 Home Investment Partnership Program
14.246 Brownfield Economic Development
14.248 CDBG-Section 108
16.548 Delinquency Prevention
16.592 Local Law Enforcement Block Grant
17.249 WIA II-IB/Yta
17.253 Welfare-to-Work
17.258/17.259/17.260 Workforce Investment
93.914 HIV Emergency Relief

Conditions and Recommendation

We noted during our audit that the City of New Orleans had continued to take the necessary steps to improve its monitoring of sub-recipient activities. This was performed by management of the City of New Orleans having certain employees and independent accountants perform fiscal, programmatic monitoring and desk reviews of certain sub-recipient's financial and programmatic activities and the City Council of New Orleans having engaged certain independent accountants to perform fiscal and programmatic monitoring of certain sub-recipients.

CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FINANCIAL STATEMENT FINDINGS

COMPLIANCE, CONTINUED

Audit Finding Reference Number

2001-01 Monitoring, Continued

Condition and Recommendation, Continued

As noted in the previous paragraph, the City of New Orleans has continued to improve its fiscal and programmatic monitoring of sub-recipient activities. However we are still uncertain as to the ultimate effect this improved condition has on the Schedule of Expenditures of Federal Awards. Also, as further described in audit finding 2001-03, certain sub-recipient contracts did not include A-133 language, certain sub-recipient audit reports are delinquent and programmatic monitoring of certain sub-recipient requires further improvement.

We recommend that the management of the City of New Orleans continue to ensure sub-recipient activities are fiscally and programmatically monitored. Also, we recommend that the management of the City of New Orleans rotate the fiscal monitoring and desk reviews of agencies that have established adequate internal control over financial reporting and compliance systems.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FINANCIAL STATEMENT FINDINGS**

COMPLIANCE**Audit Finding Reference Number**

2001-42 Procurement

Federal Program and Specific Federal Award Identification**CDDA Title and Number**

14.218 Community Development Block Grants

Condition and Recommendation

As described in audit finding 2001-44, we noted that the City of New Orleans utilized procuring contracts to procure grant allowable street and concrete repair services totaling \$10,828,966.

The management of the City of New Orleans has indicated that the present procurement policy provides for increasing, decreasing or adjusting an awarded contract, provided such additional services are consistent with the services provided in the original award and the contract term is extended.

We recommend that management of the City of New Orleans take the necessary steps to resolve this condition.

SCHEDULE III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2001

SCHEDULE III

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL, OVER COMPLIANCE AND FEDERAL COMPLIANCEAudit Finding Reference NumberQuestioned Costs

2001-09 Monitoring

\$-0-Federal Program and Specific Federal Award IdentificationCFDA Title and Number

14.218 Community Development Block Grants
 14.221 Urban Development Action Grant-Cumulative Program Income
 14.221 Urban Development Action Grant-American Can
 14.239 Home Investment Partnership Program
 14.246 Brownfield Economic Development
 14.248 CDBG-Section 108
 16.548 Delinquency Prevention
 16.592 Local Law Enforcement Block Grant
 17.249 WIA II-III Visa
 17.253 Welfare-to-Work
 17.258/17.259/17.260 Workforce Investment
 93.014 HIV Emergency Relief

Federal Award Year

December 31, 2001

Federal Agency

U. S. Department of Labor
 U. S. Department of Health and Human Services
 U. S. Department of Housing and Urban Development
 U. S. Department of Justice

CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCEAudit Finding Reference Number

2004-03 Monitoring, Continued

Pass-Through Entity

State of Louisiana

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section M stipulates that a pass-through entity is responsible for the monitoring of the sub-recipient's activities to provide reasonable assurance that the sub-recipient administers federal awards in compliance with federal requirements. This responsibility includes identifying federal award information and compliance requirements to the sub-recipient and ensuring required audits are performed.

Conditions and Perspectives

We noted during our audit the following conditions:

The management of the City of New Orleans failed to include in contracts, certain award information and A-133 audit requirements and failed to obtain A-133 audit reports for the following grant programs and related sub-recipients:

<u>CFDA/Grant Program</u>	<u>Sub-Recipient Contract Deficiencies</u>	<u>Delinquent A-133 Audit Reports</u>
14.218 Community Development Block Grant	-	6
14.221 Urban Development Action Grant	2	-
14.221 UDAG-American Can	-	1
14.246 Broadfield Economic Development Initiative	-	1
14.248 Community Development Block Grant Section 108	-	2
14.279 Home Investment Partnership	-	7
16.592 Local Law Enforcement Block Grant	3	1

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
CONTINUED**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**Audit Finding Reference Number**

2001-03 Monitoring, Continued

Conditions and Perspectives, Continued

<u>CFDA/Grant Program</u>		<u>Sub-Recipient Contract Delinquencies</u>	<u>Delinquent A-133 Audit Reports</u>
16.548	Delinquency Prevention	1	1
17.349	WIA II- ID Visa	-	1
93.514	HIV Emergency Relief	2	1
Total		3	3

- The programmatic monitoring methodology, and documentation of sub-recipients requires further improvement for the following grant programs and related sub-recipients:

CFDA/Grant Program

14.231	Urban Development Action Grant-Cumulative Program Income
16.592	Local Law Enforcement Block Grant
17.258/17.259/17.260	Workforce Investment Act
93.514	HIV Emergency Relief

- The completion of all scheduled programmatic monitoring was not performed for the Welfare to Work program (CFDA 17.253).

Cause

The management of the City of New Orleans is continuing to improve its internal control procedures for monitoring.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
CONTINUED**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

2001-03 Monitoring, Continued

Questioned Cost

For purposes of these conditions, we have not questioned any costs.

Effect

The City of New Orleans is continuing to ensure that sub-recipients are monitored in accordance with federal requirements.

Recommendation

We recommend that the City of New Orleans continue in its efforts to ensure that a fiscal and programmatic monitoring system is completely established that would be in compliance with federal requirements and also provide to the City a comfortable degree of assurance with regard to ensuring sub-recipients comply with federal, state and city regulations.

CITY OF NEW ORLEANS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
 FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
 CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

Questioned Cost

2001-04 Procurement

\$-0-

Federal Program and Specific Federal Award Identification

CEDA Title and Number

14.218 Community Development Block Grants

Federal Award Year

December 31, 2001

Federal Agency

U. S. Department of Housing and Urban Development

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section I stipulates that procurement standards should be established that provide full and open competition.

Conditions and Perspective

We noted during our audit that the City of New Orleans utilized pre-existing contracts to procure street and concrete repair services totaling \$10,028,566, representing a 330% increase in the original awards. The pre-existing contracts were executed during the 1999 year as a result of low-bid awards to two contractors totaling \$1,238,170 and \$1,020,475, respectively. Such contracts, which were for the provision of the street and concrete repairs similar in nature to the 2000 repairs, were initially issued for periods ending in the year 2000, but were extended through the year 2001 without any subsequent full and open competition.

CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

2001-04 Procurement, Continued

Condition and Perspective, Continued

The agreements for the pre-existing contracts specified a certain period the required services were to be provided. In our opinion, upon expiration of the contract period, the required services were required to be competitively procured.

Cause

The City of New Orleans procurement policy allows the increase, decrease, or adjustment of an awarded contract, provided such additional services are consistent with the services provided in the original award and the contract term is extended.

Questioned costs

For purposes of this condition, we have not questioned any costs. As a result of our audit, we noted that such services were allowable under the terms and conditions of the grant.

Effect

In our opinion, the City of New Orleans has not complied with the federal and state public bid law because the contract was not re-bid after the initial contract period expired.

Recommendation

We recommend that management of the City of New Orleans take the necessary steps to resolve this condition.

SCHEDULE III

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**Audit Finding Reference Number****Questioned Costs**

2001-05 Internal Control - Departmental
Programmatic Activities

\$-0-**Federal Program and Specific Federal Award Identification****CFDA Title and Number**

10.557	Special Supplemental - WIC
10.565	Commodity Supplemental Food Program
14.221	Urban Development Action Grant-Consultative Program Income
14.238	Shelter Plus
14.218	Community Development Block Grant
16.592	Local Law Enforcement Block Grant
20.205	State and Community Highway Safety
63.534	Emergency Management
93.585	Empowerment Zones Program
93.1410012	HPST Medical and Dental Services
93.194	Demonstration Grants

Federal Award Year

December 31, 2001

Federal Agencies

U. S. Department of Housing and Urban Development
U. S. Department of Health and Human Services
U. S. Department of Justice
Federal Emergency Management Agency
U. S. Department of Transportation
U. S. Department of Agriculture

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
CONTINUED**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

2001-09 Internal Control - Departmental
Programmatic Activities, Continued

Pay-Through Entity

State of Louisiana

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section A stipulates that grant activities must be allowable under the terms and conditions of the grant.

The A-133 Common Rule requires that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Conditions and Perspectives

We noted during our audit that the City of New Orleans could improve its internal control procedures with regard to monitoring departmental federal programmatic activities. At December 31, 2001, certain departments of the City of New Orleans expended \$7,404,879 to perform programmatic activities.

Also, the City of New Orleans provided Shelter Plus Care, Demonstration, and UDBG grants to eligible participants totaling \$1,573,319 and performed roadway construction totaling \$1,227,427.

However, certain internal control procedures and characteristics as presented in the Internal Control-Integrated Framework, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report) are not presently utilized by the City of New Orleans.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
CONTINUED**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

3401-05 Internal Control - Departmental
Programmatic Activities, Continued

Cause

The management of the City of New Orleans has not completed the establishment of internal monitoring procedures to ensure City of New Orleans departments are complying with established goals and guidelines.

Questioned Cost

For purposes of these conditions, we have not questioned any costs.

Effect

Non-compliance with federal regulations requiring that non-federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations and program compliance requirements.

CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

2001-45 Internal Control - Departmental
Programmatic Activities, Continued

Recommendation

We recommend that management of the City of New Orleans consider the following activities in the development of an overall departmental plan:

- Ongoing monitoring built-in through independent reconciliations, staff meeting feedback, rotating staff, supervisory review, and management review of reports.
- Periodic site visits performed at decentralized locations and checks performed to determine whether procedures are being followed as intended.
- Follow up on irregularities and deficiencies to determine the cause.
- Internal quality control reviews performed.
- Management meets with program managers, auditors, and reviewers to evaluate the condition of the program and controls.
- Internal audit routinely tests for compliance with Federal requirements.
- The Office of Federal and State Programs and the Office of the Chief Administrative Officer reviews the results of all monitoring or audit reports and periodically assess the adequacy of corrective action.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

FEDERAL COMPLIANCE

<u>Audit Finding Reference Number</u>	<u>Questioned Costs</u>
2000-06 Eligibility	\$-0-

Federal Programs and Specific Federal Award Identification**CEDA Title and Number**

- 10.557 Special Supplemental - WIC
- 14.239 Home Investment Partnership (Home)

Federal Award Year

December 31, 2001

Federal Agencies

- U. S. Department of Agriculture
- U. S. Department of Housing and Urban Development (HUD)

Pass-Through Entity

State of Louisiana

Criteria

OMB Circular A-133 Compliance Supplement Part 4, Sections 4-10.557-8 and 4-14.239-3 specify the specific eligibility requirements for individuals receiving WIC and Home grant funds, respectively.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
CONTINUED**

FEDERAL COMPLIANCE

Audit Finding Reference Number

2004-06 Eligibility, Continued

Conditions and Projections

Housing Program

We noted during our audit that for six (6) of the six (6) participants tested, the management of the City of New Orleans was unable to document that the amount of rents charged to rental assistance participants was within the rental limit guidelines specified by HUD.

WIC Program

We noted during our audit that for eight (8) of the eight (8) participants tested, the management of the City of New Orleans was unable to provide documentation that the related participants' income was verified.

Cause

The management of the City of New Orleans did not adhere to established compliance procedures.

Questioned Costs

For purposes of this condition, we have not questioned any costs.

Effect

Non-compliance with federal requirements regarding the documentation of the eligibility of individuals and ensuring eligible individuals receive appropriate benefits.

Recommendation

We recommended that management of the City of New Orleans adhere to established procedures.

SCHEDULE III

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**Audit Finding Reference Number****Questioned Costs**

2001-07 Program Income

\$0.**Federal Program and Specific Federal Award Identification****CFDA Title and Number**

14.239 Home Investment Partnership Program

Federal Award Year

December 31, 2001

Federal Agency

U. S. Department of Housing and Urban Development

Pass-Through Entity

State of Louisiana

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section J stipulates that program income generated from the use of grant funds must be accurately accounted for and either deducted from outlays, added to the project budget, or used to meet matching requirements.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
CONTINUED**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

2001-07 Program Income, Continued

Conditions and Perspectives

We noted during our audit that the City of New Orleans had not completed the establishment of a system to accumulate and account for program income data of sub-recipients and to ensure program income is utilized in compliance with all applicable federal rules and regulations.

Cause

The City of New Orleans has not completed the establishment of a system to accumulate, account for and monitor program income of sub-recipients.

Questioned Costs

We have been unable to determine the financial impact of the non-reporting of program income. Therefore, for purposes of this condition, we have not questioned any costs.

Effect

The City of New Orleans has not complied with applicable federal rules and regulations.

Recommendation

We recommend that management of the City of New Orleans continue to take the necessary steps to complete a system to accumulate, account for, monitor and ensure that program income is utilized in compliance with all applicable federal rules and regulations.

CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

<u>Audit Finding Reference Number</u>	<u>Questioned Costs</u>
2001-08 Program Income	<u>\$ 0.</u>

Federal Program and Specific Federal Award Identification

CUDA Title and Number

14.221 Urban Development Action Grant (UDAG)-Grantee Loans
14.248 CDBG - Section 108

Federal Award Year

December 31, 2001

Federal Agency

U. S. Department of Housing and Urban Development

Pass-Through Entity

None

Criteria

OMB Circular A-133 Compliance Supplement Part 3 Section 3 stipulates that Program Income be correctly determined, recorded and used in accordance with the program requirements and A-102 Common Rule.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
CONTINUED**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

2001-08 Program Income, Continued

Conditions and Perspectives

We noted during our audit that the City of New Orleans recorded receipt of USDA principal repayments totaling \$116,181 for the year ended December 31, 2000. However, \$608,800 was required to be received based upon the related debt service amortization and our review of the payment activity disclosed certain USDA mortgage accounts with little or no repayment activity. Also, we noted that the Louisiana Corporation did not pay the required October, 2001 debt service amount of \$711,938 and has not retained any funds through the completion of our fieldwork.

Cause

The management of the City of New Orleans has not effectively ensured loan repayments are made and consequently that loan accounts are not delinquent. Also, the Louisiana Corporation has suffered financial difficulties and has filed for protection under the applicable bankruptcy statute.

Questioned Costs

For purposes of this finding, we have not questioned any costs.

Effect

Non-compliance with federal program requirements and the A-103 Common Rule.

Recommendation

We recommend that immediate steps be taken to determine each USDA loan's status and that appropriate collection efforts be implemented to correct any loan deficiencies. Also, we recommend that immediate steps be taken to address the Louisiana situation.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD-FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

<u>Audit Finding Reference Number</u>	<u>Questioned Costs</u>
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2001-09 Davis-Bacon Act	\$-0-
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Federal Programs and Specific Federal Award IdentificationCFDA Title and Number

14.218	Community Development Block Grant
14.239	Home Investment Partnership Program

Federal Award Year

December 31, 2000

Federal Agencies

U. S. Department of Housing and Urban Development

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section D stipulates that a non-federal entity must ensure that contractors and sub-contractors are paid prevailing wage rates for projects covered by the Davis-Bacon Act.

Conditions and Perspectives

We noted during our audit that management of the City of New Orleans had not fully implemented the monitoring of construction contracts for compliance with the Davis-Bacon Act.

CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
CONTINUED

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

2001-09 Davis-Bacon Act, Continued

Cruc

The management of the City of New Orleans did not adhere to established procedures.

Questioned Costs

For purposes of the noted condition, we have not questioned any costs.

Effect

The City of New Orleans is not ensuring that construction contractors are paying employees prevailing wage rates established by the Department of Labor.

Recommendation

We recommend that management of the City of New Orleans adhere to established procedures with regard to monitoring contractors and/or sub-contractors for compliance with the Davis-Bacon Act.

SCHEDULE III**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

FEDERAL COMPLIANCE**Audit Finding Reference Number****Questioned Costs**

2000-10 Suspended and

Debarred Certifications

\$-0-**Federal Program and Specific Federal Award Identification****CFOA Title and Number**

10.557 Special Supplemental - WIC

14.218 Community Development Block Grants-Cumulative Program Income

14.221 Urban Development Action Grant

14.239 Home Investment

16.592 Local Law Enforcement Block Grant

17.253 Welfare to Work

93.914 HIV Emergency Relief

Federal Award Year

December 31, 2000

Federal Agencies

U. S. Department of Agriculture

U. S. Department of Housing and Urban Development

U. S. Department of Labor

U. S. Department of Health and Human Services

U. S. Department of Justice

Pass-Through Entity

State of Louisiana

CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FEDERAL COMPLIANCE*Audit Finding Reference Number*

2001-10 *Suspended and
 Debated Certifications, Continued*

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section 3 stipulates that contractors receiving individual awards for \$100,000 or more and all sub-recipients must certify that the organization and its principals are not suspended or debarred.

Conditions and Dispositions

We noted during our audit that management of the City of New Orleans failed to obtain suspended and debarred certifications from contractors and/or sub-recipients for the following federal grant programs:

CFDA Number/Grant Program	Sub-recipients
10.557 Special Supplemental - WIC	1
14.218 Community Development Block Grant	2
14.221 Urban Development Action Grant	2
14.279 Home Investment	4
16.582 Local Law Enforcement Block Grant	3
17.253 Welfare to Work	3
93.914 HIV Emergency Relief	2
Total	<u>12</u>

Cause

The management of the City of New Orleans inadvertently failed to obtain the certifications.

SCHEDULE III
CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FEDERAL COMPLIANCE

Audit Finding Reference Number

2001-10 Suspended and
 Debursed Certifications, Continued

Questioned Costs

For purposes of these conditions, we have not questioned any costs.

Effect

The City of New Orleans has not complied with federal regulations.

Recommendation

We recommend that management of the City of New Orleans adhere to established procedures and ensure that applicable contractors and sub-recipients provide the related certifications.

CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

<u>Audit Finding Reference Number</u>	<u>Questioned Costs</u>
2001-13 Matching	<u>\$3,248,406</u>

Federal Program and Specific Federal Award IdentificationCFDA Title and Number

- 14.231 Emergency Shelter Grant (ESG)
- 14.239 Home Investment Partnerships Program (HOME)

Federal Award Year

December 31, 2001

Federal Agency

U. S. Department of Housing and Urban Development

Pass-Through Entity

None

Criteria

OMB Circular A-133 Compliance Supplement Part 3 Section 6 stipulates that a non-federal entity must provide matching or cost sharing of a specified amount or percentage as provided in the contract or grant agreement with the federal government.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
CONTINUED**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

2001-11 *Matching, Continued*

Conditions and Perspectives

We noted during our audit that the City of New Orleans must provide eligible matching contributions of 12.5% of its actual Home Expenditures. The grantor agency has allowed the City of New Orleans to provide the match in the form of certain non-federal expenditures (i.e. forgiven taxes, appraised value of donated land or real property, infrastructure, site preparation, non-federal work, etc.) incurred or provided by the sub-recipient. However, management of the City of New Orleans failed to fully document the match of Home funds for the year ended December 31, 2001.

Also, for the ESG program, funded sub-recipients must document a non-federal match amount that is equal to the ESG funds received from the City of New Orleans.

Cause

A system for the reporting, tracking and monitoring of the sub-recipient data has not been completely established.

Questioned Costs

For the Home program we have questioned the amount of matching funds which were not documented. This amount totals \$1,005,849, which is 12.5% of the Home funds drawn down in the amount of \$8,046,804, less the documented match of \$156,014.

For the Emergency Shelter Grant program, we have questioned the amount of matching funds which were not documented. This amount totaled \$293,565.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
CONTINUED**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

2040-11 *Matching, Continued*

Effect

Non-compliance with federal requirements on providing a match of grant fund expenditures.

Recommendation

We recommend that Management of the City of New Orleans take immediate steps to document the match of Bureau and ESCJ grant expenditures.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**Audit Finding Reference Number****Questioned Costs**

2001-13

Allowable Activities

\$2,234,421**Federal Program and Specific Federal Award Identification****CEDA Title and Number**

14.218 Community Development Block Grant

Federal Award Year

December 31, 2001

Federal Agency

U. S. Department of Housing and Urban Development

Pass-Through Entity

Not Applicable

Critique

OMB Circular A-133 Compliance Supplement Part 4, Allowable Activities and Allowable Costs specify the types of activities and costs, which are either specifically allowed or prohibited by the laws, regulations, and the provisions of contracts or grant agreements pertaining to the program.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS,
CONTINUED**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**Audit Finding Reference Number**

2004-12 *Allowable Activities, Continued*

Conditions and Perspectives

We requested, but did not receive on a timely basis, documentation of the programmatic accomplishments of certain City of New Orleans departments that were funded by the Community Development Block Grant (CDBG). The departments received \$2,234,428 in CDBG funds for personnel costs.

Cause

The management of the City of New Orleans has not adhered to established procedures that required the applicable departments to submit the programmatic accomplishments on a timely basis.

Questioned Costs

As a result of this condition, we have questioned costs totaling \$2,234,428.

Effect

Non-compliance with federal regulations which stipulate that federal funds must be utilized for allowable activities and that costs be properly supported.

Recommendation

We recommend that management of the City of New Orleans continue in their efforts to ensure that departments funded with federal funds provide appropriate documentation of programmatic accomplishments on a timely basis.

CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

<u>Audit Finding Reference Number</u>	<u>Questioned Costs</u>
2001-13 Special Tests and Provisions - On-Site Inspections	\$-0-

Federal Program and Specific Federal Award Identification

CFDA Title and Number

14.239 Home Investment Partnership Program (HOME)

Federal Award Year

December 31, 2001

Federal Agency

U. S. Department of Housing and Urban Development

Pass-Through Entity

None

Critique

OMB Circular A-133 Compliance Supplement Part 4, Section 4.14.239 - Housing Quality Standards stipulates that during the period for which the sub-recipient maintains subsidized housing for Home Assisted Rental Housing, the disbursing agency must perform on-site inspections to determine compliance with property standards and verify the information submitted by the owners no less than certain prescribed years for defined project levels (1 to 26 or more units).

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

2001-13 Special Tests and Provisions -
On-Site Inspections, Continued

Conditions and Descriptions

We noted during our audit that management of the City of New Orleans had not completely performed on-site inspections of rental rehabilitation projects funded with HOHVI funds.

Cause

The City of New Orleans has not adhered to established policies and procedures to perform on-site inspections.

Effect

Non-compliance with federal requirements to perform on-site inspections.

Recommendation

We recommend that management of the City of New Orleans take immediate steps to ensure on-site inspections are performed as required by federal legislation.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

Questioned Costs

2001-14 Financial Reporting

5-6

Federal Programs and Specific Federal Award Identification

CEDA Title and Number

14.218	Community Development Block Grant (CDBG)
14.239	Home Investment Partnership Program
14.251	Emergency Shelter Grants
14.261	Housing Opportunities for People with AIDS (HOPWA)

Federal Award Year

December 31, 2001

Federal Agencies

U. S. Department of Housing and Urban Development

Pass-Through Entity

None

Criteria

OMB Circular A-133 Compliance Supplement Part 4, Section 4.14.218 - Reporting specifies that the financial information per the Summary Report (SOAFR03) and the CDBG Financial Summary (COHPR26), which is included in the Consolidated Annual Performance and Evaluation Report (CAPERS) must agree to the accounting records.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

Audit Finding Reference Number

2001-14 Financial Reporting, Continued

Conditions and Perspectives

We noted during our audit that the financial information for all HUD grants which were included in the summary report section of the CAPERS and the CDBG financial summary did not agree to the accounting records.

Cause

The City of New Orleans has experienced significant problems with the Integrated Disbursement and Information System (IDIS) that has resulted in inaccurate information being generated.

Effect

Due to the problems with the IDIS, the City of New Orleans was unable to provide accurate financial information to HUD.

Recommendation

We recommend that management of the City of New Orleans continue to investigate and correct the present problems with the Integrated Disbursement and Information System.

SCHEDULE III**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE

<u>Audit Finding Reference Number</u>	<u>Questioned Cost</u>
2001-15 Reporting	<u>\$-0-</u>

Federal Program and Specific Federal Award Identification**CFTA Title and Number**

93.014	EDV Emergency Relief Program
14.218	Community Development Block Grant (CDBG)
14.239	Home Investment Partnership
14.231	Emergency Shelter Grants
14.241	Housing Opportunities for People with AIDS
18.592	Local Law Enforcement Block Grant

Federal Award Year

December 31, 2001

Federal Agencies

U. S. Department of Health and Human Services

Pass-Through Entity

None

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section I - Reporting specifies that federal program reports should include all activity of the reporting period, are supported by applicable accounting records, and are fairly presented in accordance with program requirements.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**Audit Finding Reference Number**

2004-15 Reporting, Continued

Conditions and Prospective

We noted during our audit the following conditions:

- Certain grant expenditures for the HIV Emergency Relief Grant, the Local Law Enforcement Block Grant and grant receipts and expenditures for HUD programs that were reflected on the related financial reports (SF 272) submitted during the year ended December 31, 2001 did not agree in total to the grant expenditure and receipt amounts recorded in the general ledger as follows:

Grant Name	CFDA Number	Amount Per Report		Amount Per Accounting Records	
		Receipts	Expenditures	Receipts	Expenditures
HIV Emergency Relief	93.004	\$ 4,600,794	\$ 4,600,210	\$ 4,169,448	\$ 4,670,257
HUD	-----	\$53,351,826	\$48,932,374	\$42,621,863	\$37,414,860
Local Law	16.982	\$ 2,243,771	\$ 2,243,771	\$ 2,408,771	\$ 2,408,771

- Program Income reported on the Federal Cash Transaction reports for HUD programs did not agree to financial records and, additionally, excluded a historical source of program income; and
- The HIV Emergency Relief Federal SF-272 reports for the first, second and fourth quarters were not submitted timely.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**Audit Finding Reference Number**

2001-13 Reporting, Continued

Issue

The management of the City of New Orleans encountered problems in utilizing and obtaining financial information for the financial reporting system for the HIV Emergency Relief Program. For HRH, certain funds were drawn down in the year 2002, certain prior year costs were reported during 2001 and certain financial information regarding program income was not obtained. For the Local Law Enforcement Block Grant, certain adjustments at December 31, 2001 were not included in the related federal financial report.

Questioned Costs

For purposes of this finding, we have not questioned any costs.

Effect

Certain federal financial reports contained inaccurate financial information.

Recommendation

We recommend that management of the City of New Orleans take immediate steps to ensure accurate financial information is provided to federal agencies.

SCHEDULE III

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**Audit Finding Reference Number****Questioned Costs**

2001-16 Barracking

\$-0-**Federal Program and Specific Federal Award Identification****CFDA Title and Number**

14.339 Home Investment Partnerships Program

93.814 HIV Emergency Relief (Ryan White)

Federal Award Year

December 31, 2001

Federal Agencies

U. S. Department of Housing and Urban Development

U. S. Department of Health and Human Services

Finn Through Entity

None

CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**Audit Finding Reference Number** **Questioned Costs**2001-16 **Errandmaking, Continued****\$0.****Criteria**

OMB Circular A-133 Compliance Supplement Part 4 specifies the following errandmaking percentages for the related grants:

<u>Program</u>	<u>Errandmaking Percentage</u>
Home Investment	15% of the fiscal year Home basic formula allocation must be invested in Community Housing Development organizations.
HIV Emergency Relief	An amount not less than the percentage represented by the ratio of infants, women, and children with AIDS in the population of the City of New Orleans to the City of New Orleans' overall population with AIDS is to be spent on services to these populations.

Conditions and Prospective

We noted during our audit of the Home program that management of the City of New Orleans had not disbursed 15% of Home Allocated funds (\$1,194,389) to Community Housing Development Organizations.

Also, for the Ryan White Program, the management of the City of New Orleans did not compile the related AIDS statistics and as a result was unable to ensure that the required errandmaking target was met.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**Audit Finding Reference Number****Questioned Costs**

2001-16 Earmarking, Continued

\$-0-**Cause**

The management of the City of New Orleans has indicated that further review is required to be made of this condition.

Questioned Costs

For purposes of this condition, we have not questioned any costs.

Effect

The management of the City of New Orleans has not complied with the earmarking limitation specified by the federal government.

Recommendation

We recommend that immediate steps be taken to ensure that the required earmarking finding is provided to applicable organizations and programmable data is compiled to ensure earmarking targets are met.

SCHEDULE III**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**Audit Finding Reference Number****Questioned Costs**

2001-17 Cost Allocation

\$-0-

Federal Program and Specific Federal Award Identification**CFLA Title and Number**

14.218 Community Development Block Grant

14.238 Home Investment Partnerships Program

Federal Award Year

December 31, 2001

Federal Agencies

U. S. Department of Housing and Urban Development (HUD)

Pass-Through Entity

None

Criteria

OMB Circular A-133 Compliance Supplement Part 3, Section B Cost Principles specify that certain facility costs incurred by local governments can be allocated based upon a cost allocation plan.

**CITY OF NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

INTERNAL CONTROL OVER COMPLIANCE AND FEDERAL COMPLIANCE**Audit Finding Reference Number**

2001-17 Cost Allocation, Continued

Conditions and Perspectives

We noted during our audit that payments of rental costs for the lease of the facilities which house personnel who administer the HUD programs were not based upon a cost allocation plan. Also, other City of New Orleans departments are housed in related areas. The total annual rental costs is approximately \$972,060 with payments from the noted HUD grants totaling \$253,066.

Cause

The management of the City of New Orleans had not developed a methodology to allocate facility rental costs.

Questioned Costs

For purposes of this finding, we have not questioned any costs.

Effect

Facility rental costs charged to a respective grant might be unreasonable.

Recommendation

We recommend that management of the City of New Orleans take immediate steps to correct this condition.

**CURRENT STATUS OF OTHER AUDITS
AND PROGRAM REVIEWS
PERFORMED BY FEDERAL AGENCIES**

**CITY OF NEW ORLEANS
CURRENT STATUS OF OTHER AUDITS
AND PROGRAM REVIEWS
PERFORMED BY FEDERAL AGENCIES**

FEDERAL AGENCY - U. S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT (HUD) - OFFICE
OF INSPECTOR GENERAL.

SUBJECT - HOME INVESTMENT PARTNERSHIP PROGRAM

AUDIT PERIOD - JANUARY 13, 1992 THROUGH APRIL 10, 1994

BACKGROUND

In May of 1994, the U. S. Department of Housing and Urban Development, Office of Inspector General, began an audit of the Home Investment Partnerships program as administered by the City of New Orleans. The audit report No. 95-FW-255-1997 dated March 20, 1995, was intended to determine whether the City of New Orleans managed its Home program effectively and complied with the applicable regulations.

The audit disclosed numerous instances of what was deemed misuse of Federal funds, regulatory violations, inefficiencies, and numerous uncorrected deficiencies. Moreover, the audit stated that the City had seriously mismanaged Home activities and that officials responsible for administering the program did not properly plan, implement, or monitor Home activities or always take corrective action upon notice of problems.

Consequently, a substantial amount of the grant award was questioned with additional amounts identified as ineligible. Costs determined to be ineligible per the report were \$288,153 while an additional \$6,322,800 was questioned because of a lack of satisfactory documentation to support the eligibility of the costs.

CURRENT STATUS

The U. S. Department of Housing and Urban Development (HUD) and the City of New Orleans have reached a repayment agreement that provides over a five year period an annual payment of \$1,570,960. As of December 31, 2001, the City of New Orleans has repaid HUD a cumulative amount of \$6,322,800. Also, per the agreement HUD will re-apply all payments made by the City of New Orleans to the Home Investment Partnership Program.

**CITY OF NEW ORLEANS
CURRENT STATUS OF OTHER AUDITS
AND PROGRAM REVIEWS
PERFORMED BY FEDERAL AGENCIES
(CONTINUED)**

FEDERAL AGENCY - U. S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

SUBJECT - MONITORING/TECHNICAL ASSISTANCE SITE VISIT

AUDIT PERIOD - FISCAL YEAR 2000

On May 15, 2001 the City of New Orleans received a notification from the U. S. Department of Housing and Urban Development (HUD). The notification indicated that as a result of the monitoring/technical assistance site visit, it was determined that the City of New Orleans had not completely provided adequate documentation in the opinion of HUD to substantiate either the eligibility of certain programmatic activities or that the activity met the national objective. As a result, HUD disallowed \$9,884,567 in grant costs.

During the year ended December 31, 2001, HUD indicated that the questioned cost amount had been reduced from \$9,884,567 to \$825,880. On March 7, 2002, HUD requested that the City of New Orleans submit additional documentation to establish the eligibility of the CDBG funding with respect to the use of the \$825,880.

Audit Period - FISCAL YEAR 2001

The U. S. Department of Housing and Urban Development has completed its monitoring/technical assistance site visit for the fiscal year 2001. However, the report had not been issued at the completion of the independent auditors' fieldwork.

**CURRENT STATUS OF OTHER AUDITS
AND
RESULTS OF OTHER AUDITS
PERFORMED BY OTHER INDEPENDENT AUDITORS**

**CITY OF NEW ORLEANS
CURRENT STATUS OF OTHER AUDITS
PERFORMED BY OTHER INDEPENDENT AUDITORS**

ORGANIZATION - NEW ORLEANS AFFORDABLE HOME OWNERSHIP, INC.
(Formerly Urban Homeowner's Corporation of
New Orleans)

AUDIT PERIOD - AUGUST 29, 1989 (Interim) through December 31,
1994

OTHER INDEPENDENT AUDITOR - JUSTIN SCARLOW, CPA

FINDINGS AND QUESTIONED COSTS

The New Orleans Affordable Home ownership, Inc. is a sub-recipient of Home program funds from the City of New Orleans. An audit which was performed on the organization for the period August 29, 1989 through December 31, 1994 contained several compliance findings with related questioned costs totaling \$1,200,320. However, the cognizant agency has not rendered a final determination in this matter, and reasons have not been provided by management of the organization that the audit finding does not warrant any further action.

CITY OF NEW ORLEANS
CURRENT STATUS OF OTHER AGENTS
FINANCED BY OTHER INDEPENDENT AGENCIES
(CONTINUED)

ORGANIZATION - NEW ORLEANS AFFORDABLE HOME OWNERSHIP, INC.
Formerly Urban Homeowners Corporation of New Orleans

AUDIT PERIOD - JANUARY 1, 1995 THROUGH DECEMBER 31, 1995

OTHER INDEPENDENT AUDITOR - FAILET, ROEMER & LEBLANC, L.L.P.

FINDINGS AND QUESTIONED COSTS

The New Orleans Affordable Home ownership is a sub-recipient of Home Program funds from the City of New Orleans. An audit which was performed for the year ended December 31, 1995 contained several compliance findings with related questioned costs totaling \$188,360. The cognizant agency has not rendered a final determination with regard to this matter, and reasons have not been provided by management of the organization that the audit finding does not warrant any further action.

**CITY OF NEW ORLEANS
CURRENT STATUS OF OTHER AUDITS
PERFORMED BY OTHER INDEPENDENT AUDITORS
(CONTINUED)**

ORGANIZATION - NEW ORLEANS AFFORDABLE HOME OWNERSHIP, INC.
AUDIT PERIOD - JANUARY 1, 1996 THROUGH DECEMBER 31, 1996
OTHER INDEPENDENT AUDITOR - JUSTIN STEWART, CPA

PENDING AND QUESTIONED COSTS

The New Orleans Affordable Home Ownership is a sub-recipient of Community Development Block Grant (CDBG 14.318) funds from the City of New Orleans. An audit performed for the year ended December 31, 1996 contained several compliance findings with related questioned costs totaling \$45,438. The Cognizant Agency has not rendered a final determination with regard to these findings, and reasons have not been provided by the organization that the audit finding does not warrant any further action.

CITY OF NEW ORLEANS
CURRENT STATUS OF OTHER AUDITS
PERFORMED BY OTHER INDEPENDENT AUDITORS
(CONTINUED)

ORGANIZATION - THIRD CHILCH HOUSING, INC.
AUDIT PERIOD - JANUARY 1, 1998 TO DECEMBER 31, 1998
OTHER INDEPENDENT AUDITOR - LUTHER SPRIGHT & CO.

FINDINGS AND QUESTIONED COSTS

Third Chilch Housing, Inc. is a sub-recipient of Community Development Block Grant (CDBG 14.218) funds from the City of New Orleans. An audit performed for the year ended December 31, 1998 contained several compliance findings with related questioned costs totaling \$169,111. The Cognizant Agency has not rendered a final determination with regard to these findings, and reasons have not been provided by the organization that the audit finding does not warrant any further action.

CITY OF NEW ORLEANS
CURRENT STATUS OF OTHER AUDITS
PERFORMED BY OTHER INDEPENDENT AUDITORS
(CONTINUED)

ORGANIZATION - MULTI-SERVICE CENTER FOR THE HOMELESS

AUDIT PERIOD - YEARS ENDED DECEMBER 31, 1986 AND 1987

OTHER INDEPENDENT AUDITOR -
LOTHEN C. SPEIGHT & COMPANY - REPORT DATED
SEPTEMBER 16, 1988

FINDINGS AND QUESTIONED COSTS

The Multi-Service Center for the Homeless is a sub-recipient of funding from the City Council grants and the City of New Orleans Emergency Shelter Grants (ESG) for the aforementioned periods. The Independent Accountants' Report on Applying Agreed-Upon Procedures relative to the Organization's compliance with certain laws and regulations reported an allegation of fraud against an employee of the Organization. The results of the engagement was reported to the Organization's Board of Directors and the State Legislative Auditor.

Current Status

This matter has been referred to the Federal Bureau of Investigation who is presently reviewing the matter for trial.

CITY OF NEW ORLEANS
CURRENT STATUS OF OTHER AUDITS
PERFORMED BY OTHER INDEPENDENT AUDITORS
(CONTINUED)

ORGANIZATION - MULTI-SERVICE CENTER FOR THE HOMELESS

AUDIT PERIOD - YEAR ENDED DECEMBER 31, 1996

OTHER INDEPENDENT AUDITOR - BRUNO & TREVILION LLP, CTAs

FINDINGS AND QUESTIONED COSTS

The Multi-Service Center for the Homeless is a sub-recipient of Emergency Shelter Grants (CFR 14.331) from the City of New Orleans. An audit performed for the year ended December 31, 1996 contained several compliance findings with related questioned costs totaling \$24,199. The Cognizant Agency has not rendered a final determination with regard to these findings, and reasons have not been provided by the organization that the audit finding does not warrant any further action.

**CITY OF NEW ORLEANS
CURRENT STATUS OF OTHER AUDITS
PERFORMED BY OTHER INDEPENDENT AUDITORS
(CONTINUED)**

ORGANIZATION - UNITED SERVICES FOR AIDS FOUNDATION, INC.

AUDIT PERIOD - YEAR ENDED DECEMBER 31, 1989

FINDINGS AND QUESTIONED COSTS

The United Services for AIDS Foundation, Inc. is a sub-recipient of HIV Emergency Relief Formula Grant funds (CDBG 93.934) from the City of New Orleans. An audit performed for the year ended December 31, 1989 contained certain compliance findings with related questioned costs totaling \$23,817. The cognizant agency has not rendered a final determination with regard to these findings.

**CITY OF NEW ORLEANS
CURRENT STATUS OF OTHER AUDITS
PERFORMED BY OTHER INDEPENDENT AUDITORS
(CONTINUED)**

ORGANIZATION - ECHOLM, INC.

AUDIT PERIOD - YEAR ENDED DECEMBER 31, 2001

OTHER INDEPENDENT - HUNG & THOMPSON LLP,
Certified Public Accountants

AUDIT FINDINGS

The Independent Auditors noted that the Administrator of two City of New Orleans sponsored health clinics received payments from ECHOLM, Inc. to prepare and submit Medicare, Medicaid and other third party claims and perform janitorial services at the same two health clinics.

The Administrator of the Clinics is employed by the City of New Orleans Health Department. In the Independent Auditors' opinion, this condition represents a Code of Ethics violation.

**SUMMARY OF THE INDEPENDENT ACCOUNTANTS
FISCAL AND PROGRAMMATIC MONITORING**

**CITY OF NEW ORLEANS
SUMMARY OF OTHER INDEPENDENT ACCOUNTANTS'
FISCAL AND PROGRAMMATIC MONITORING OF THE
CITY OF NEW ORLEANS' SUB-RECIPIENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

The management of the City of New Orleans and the City Council of the City of New Orleans engaged independent Accountants to perform fiscal and programmatic monitoring on subrecipients who received Home Investment Partnership, Community Development Block Grant, Emergency Shelter Grant, Healthy Start Initiative, Job Training Partnership, Employment Training Assistance, Welfare-to-Work, Housing Opportunities for Persons with AIDS, and HIV Emergency Relief Program grant funds for the years ended December 31, 2001, 2000 and 1999.

As a result of the Independent Accountants' Monitoring of sub-recipients' activities, approximately \$728,388 of Federal funds were questioned.

The management of the City of New Orleans has issued management decisions on each monitoring findings and is working towards either resolving or receiving reimbursement of all questioned costs.

**CITY OF NEW ORLEANS
EXIT CONFERENCE**

An exit conference and other meetings were held at the City of New Orleans to discuss the audit report and the various findings. Those who have been in attendance are noted below. The findings were also discussed, prior to the exit conference, with the respective department heads.

CITY OF NEW ORLEANS

Councilmember Martin Gorman	--	City Council Audit Committee
Councilmember Renee Gill-Pratt	--	City Council Audit Committee
Councilmember Cynthia Willard-Lewis	--	City Council Audit Committee
Ms. Thomas French	--	Assistant to the Mayor
Mr. Wayne M. DeLorge	--	Comptroller

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael B. Bruno, CPA	--	Managing Partner
Mr. Edward Phillips, Jr.	--	Senior Manager

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 14, 2002

CITY OF NEW ORLEANS
CORRECTIVE ACTION PLAN - AUDIT FINDINGS
DECEMBER 31, 2001

AUDIT FINDINGS	PROPOSED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	CONTACT PERSON	FOLLOW UP THROUGH AGENCY CONTACTED
<p>2001-01 RECOMMENDATION</p> <p>The Independent Auditor noted that the City of New Orleans had undertaken to audit the necessary steps to improve its monitoring of sub-recipient activities. This was performed by management of the City of New Orleans having created independent and independent sub-recipient performance board, programmatic monitoring and audit services (of various sub-recipient's) (March 1999).</p> <p>Programmatic monitoring and the City Council of New Orleans having engaged several independent monitoring to perform local and programmatic monitoring of various sub-recipient.</p>	<p>The management of the City has approved policies and procedures in place and has initiated steps to monitor the effectiveness of these policies and procedures. This monitoring policy within a city has been implemented within a committee with (NOLA) Council's (NOLA), however, the management of the City will evaluate and consider performing additional steps to improve monitoring of sub-recipient. The management of the City of New Orleans is committed to a comprehensive fiscal and programmatic monitoring system that is utilized by all sub-recipient and agencies, but that not consider if necessary monitor to perform 100% monitoring of all sub-recipient.</p>	<p>December 2002</p>	<p>Kennedy Williams Thomas J. French Charles Washington</p>	<p>NOA LOMA ORLA DOA</p>
<p>2001-02 RECOMMENDATION</p> <p>The Independent Auditor noted that the City of New Orleans could benefit from the necessary steps to improve its monitoring of sub-recipient activities. This was performed by management of the City of New Orleans having created independent and independent sub-recipient performance board, programmatic monitoring and audit services (of various sub-recipient's) (March 1999).</p> <p>Programmatic monitoring and the City Council of New Orleans having engaged several independent monitoring to perform local and programmatic monitoring of various sub-recipient.</p>	<p>The management of the City of New Orleans has approved policies and procedures in place and has initiated steps to monitor the effectiveness of these policies and procedures. This monitoring policy within a city has been implemented within a committee with (NOLA) Council's (NOLA), however, the management of the City will evaluate and consider performing additional steps to improve monitoring of sub-recipient. The management of the City of New Orleans is committed to a comprehensive fiscal and programmatic monitoring system that is utilized by all sub-recipient and agencies, but that not consider if necessary monitor to perform 100% monitoring of all sub-recipient.</p>	<p>Apr 2002</p>	<p>Reginald Zane</p>	<p>NOA</p>

2001-02 MGN/OT/0100

The Independent Auditor noted that management of the City of New Orleans failed to include in its annuals, annual report information and is (1) audit requirements and (2) audit to obtain A-1(1) audit report. The Independent Auditor also noted that the program's monitoring, including and documentation of various subprograms received further inspection and certain prior programs and related subprograms were not monitored.

2001-02 MGN/OT/0100

The Independent Auditor noted that the City of New Orleans failed to provide necessary information to provide prior information report. The contract report was not included in the annual report.

2001-02 MGN/OT/0100

2001-02 MGN/OT/0100

The Independent Auditor noted that the City of New Orleans failed to provide the annual report information and (1) audit requirements and (2) audit to obtain A-1(1) audit report. The Independent Auditor also noted that the program's monitoring, including and documentation of various subprograms received further inspection and certain prior programs and related subprograms were not monitored.

The management of the City of New Orleans has not implemented the required procedures to monitor the program's monitoring, including and documentation of various subprograms received further inspection and certain prior programs and related subprograms were not monitored.

The management of the City of New Orleans has not implemented the required procedures to monitor the program's monitoring, including and documentation of various subprograms received further inspection and certain prior programs and related subprograms were not monitored.

The management of the City of New Orleans has not implemented the required procedures to monitor the program's monitoring, including and documentation of various subprograms received further inspection and certain prior programs and related subprograms were not monitored.

The management of the City of New Orleans has not implemented the required procedures to monitor the program's monitoring, including and documentation of various subprograms received further inspection and certain prior programs and related subprograms were not monitored.

September 2002

July 2003

September 2002

Elizabeth Williams
Thomas J. French
Charles Williams

Elizabeth Williams
Thomas J. French

Elizabeth Williams
Thomas J. French

08/02

08/02

08/02
Dept of Agriculture
Auditor
BMAA

2004-04 01-02018-0779	IRMC Forum The Independent Auditor noted that the IRMC did not conduct a performance review for compliance with the IRMC's mandate to monitor and report on the IRMC's performance, and that the IRMC did not provide information to support the IRMC's efforts to prevent and/or reduce the IRMC's performance problems.	The management of the City is committed to adherence to compliance with all required regulatory provisions. The various internal controls that will be initiated by the City and the IRMC will address the City's adherence to established provisions.	September 2004	Gregory Williamson Thames-Fronts	IRMC - IRMC Inter-municipal Partnership Dept of Agriculture
2004-04 01-02018-0780	IRMC Forum The Independent Auditor noted that the IRMC did not conduct a performance review for compliance with the IRMC's mandate to monitor and report on the IRMC's performance, and that the IRMC did not provide information to support the IRMC's efforts to prevent and/or reduce the IRMC's performance problems.	The management of the City is committed to adherence to compliance with the IRMC's mandate to monitor and report on the IRMC's performance, and that the IRMC did not provide information to support the IRMC's efforts to prevent and/or reduce the IRMC's performance problems.	September 2004	Gregory Williamson Thames-Fronts	IRMC
2004-04 01-02018-0781	IRMC Forum The Independent Auditor noted that the IRMC did not conduct a performance review for compliance with the IRMC's mandate to monitor and report on the IRMC's performance, and that the IRMC did not provide information to support the IRMC's efforts to prevent and/or reduce the IRMC's performance problems.	The management of the City is committed to adherence to compliance with the IRMC's mandate to monitor and report on the IRMC's performance, and that the IRMC did not provide information to support the IRMC's efforts to prevent and/or reduce the IRMC's performance problems.	September 2004	Gregory Williamson Thames-Fronts	IRMC

<p>2001-03 SPECIAL, TRUST, AND PROVIDENCE CONSULTING CONTRACTS</p> <p>The Independent Auditor noted that management of the City of New Orleans had not completely performed on-site inspections of major rehabilitation projects funded with FEMA funds. As December 31, 2001, the City of New Orleans had Sublet Plans (11) individual rental rehabilitation projects that required inspections.</p>	<p>The Management of the City of New Orleans will either reinitiated procedures to ensure that on-site inspections are performed as required by federal legislation.</p>	<p>September 2002</p>	<p>A. Santa Pina</p>	<p>RETD</p>
<p>2001-04 PHYSICAL REPORTING</p> <p>The Independent Auditor noted that the financial information for all RETD Ours which were included in the summary report section of the CAPMRS and the CTRRS financial summary did not agree to the accounting records.</p>	<p>The Management of the City of New Orleans is reconciling the financial information with RETD and will establish a bi-annual reconciliation process.</p>	<p>September 2001</p>	<p>Reginald Davis A. Santa Pina</p>	<p>RETD</p>
<p>2001-10 REPAIRS/REPAIRS</p> <p>The Independent Auditor noted that certain grant expenditures and receipts that were reflected on the related financial reports (SF 200) submitted during the year ended December 31, 2001 and not agree to total in the grant expenditures and receipts amounts recorded in the general ledger.</p>	<p>The Management of the City of New Orleans will take immediate steps to ensure accurate financial information is provided in all funding sources. Additionally, the City will conduct a process for bi-annual financial reconciliation of grant expenditures and the City financial records.</p>	<p>August 2002</p>	<p>Kristen Williams Reginald Davis Thomas French</p>	<p>RETD RETIRED DOA</p>
<p>2001-16 EARLY HOUSING</p> <p>The Independent Auditor noted that the management of the City of New Orleans had not achieved 10% of 100,000 affordable family so Community Housing Development Organizations, also, for the year 2001 program, the management of the City of New Orleans did not complete the related data analysis and as a result was unable to ensure that the reported remaining target was met.</p>	<p>The Management of the City of New Orleans will take steps to ensure that remaining targets are met.</p>	<p>October 2001</p>	<p>Thomas H. French A. Santa Pina</p>	<p>RETD RETIRED</p>

<p>2006-17 PROCUREMENT</p> <p>The Independent Auditor noted that payments of rental costs for the lease of the facilities which house personnel who administer the HUD programs were not based upon a cost allocation plan.</p>	<p>The Management of the City of New Orleans will develop a verified cost allocation plan to support the rental distribution; the Independent Auditor will be issued a copy of the cost allocation plan.</p>	<p>September 2012</p>	<p>Active Plan Tracking Period</p>	<p>PLD</p>
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Members:

American Institute of
Certified Public Accountants
Country of Louisiana
Certified Public Accountants

Minors H. Evans, CPA
Roder J. Tervalon, Jr., CPA
William H. Brown, Jr., CPA

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To the Members of the
City Council and the
Honorable C. Ray Nagin, Mayor
City of New Orleans, Louisiana

We have audited the Schedule of Expenditures of Federal Awards (the Schedule) of the City of New Orleans for the year ended December 31, 2001, and have issued our report thereon dated June 14, 2002. In planning and performing our audit of the Schedule, we considered the City of New Orleans' internal control over financial reporting and compliance.

During our audit, we became aware of certain matters that are opportunities for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters.

This letter does not affect our report dated June 14, 2002 on the Schedule of Expenditures of Federal Awards of the City of New Orleans. This report is intended solely for the information and use of the City Council, the Mayor of the City of New Orleans, management, and federal awarding agencies and pass-through entities, such as the State of Louisiana and the Legislative Auditor's Office.

CITY OF NEW ORLEANS
INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
DECEMBER 31, 2001

ALL MAJOR FEDERAL PROGRAMS

1. Encumbrances

We noted during our audit that amounts recorded as encumbrances in the City of New Orleans' financial records had not been completely adjusted. It appears that further review and adjustments is required to be made of the encumbrance amounts.

We recommend that immediate steps be taken to ensure that grant related encumbrances are reconciled to ensure adherence to generally accepted governmental accounting standards.

2. Internal Control over Compliance

Non-federal entities agree to comply with applicable laws, regulations, and the provisions of contract and grant agreements, and to maintain internal control to provide reasonable assurance of compliance with these requirements, as a condition of receiving federal awards.

OMB Circular A-133, Part 6 is intended to assist non-federal entities in complying with these requirements by presenting characteristics of internal control which may be used to reasonably ensure compliance with the fourteen (14) compliance requirements specified by the federal government within OMB Circular A-133.

We recommend that the management of the City of New Orleans routinely ensure applicable grant agencies/departments comply with each recommended internal control over compliance procedures.

**CITY OF NEW ORLEANS
INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
DECEMBER 30, 2001**

HOME INVESTMENT PARTNERSHIP PROGRAM

3. Programmatic Data Base

We noted during our audit that management of the Home Program had not completed the establishment of a tracking system data base that would provide essential information of certain programmatic activities such as:

1. Matching of grant funds by sub-recipients;
2. Program income generated by sub-recipients;
3. Documenting that 221(c)(3) subsidy limits were not exceeded;
4. Real Property acquisitions by sub-recipients; and
5. Home-Owners or Tenants for all Home Projects.

We recommend that management of the Home Program complete the implementation of the noted tracking system data base.

4. Matching Requirement

We noted during our audit of sub-recipient contracts that for five (5) sub-recipient contracts out of eight (8) tested, the management of the City of New Orleans did not include contractual language regarding matching requirements.

We recommend that sub-recipient contracts include appropriate contractual requirements regarding matching.

**CITY OF NEW ORLEANS
INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT, CONTINUED
DECEMBER 31, 2001**

CITY OF NEW ORLEANS HEALTH DEPARTMENT

5. Code of Ethics for Public Officials and for Public Employees

We noted during our review of a sub-recipient's audit report that the Administrator of two City of New Orleans sponsored health clinics received payments from such sub-recipients to prepare and submit Medicare, Medicaid and other third party claims and performed janitorial services at the same two health Clinics.

The Administrator of the Clinics is employed by the City of New Orleans Health Department and in our opinion, has entered into a condition that represents a Code of Ethics violation.

RYAN WHITE

6. Financial Reporting - HIV Emergency Relief - Ryan White

We noted during our audit that management of the Ryan White program had not completed the SF-269 Annual Report by May 30, 2002. It was indicated to us that the actual report was filed during the month of June 2002.

We recommend that established procedures be adhered to with regard to the timely filing of federal financial reports.

CITY OF NEW ORLEANS
INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT, CONTINUED
DECEMBER 31, 2001

This report is intended solely for the information and use of the members of the City Council, the Mayor of the City of New Orleans, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 18, 2002

CITY OF ORLEANS
CORRECTIVE ACTION PLAN-INDEPENDENT AUDITOR'S COMMENTS TO MANAGEMENT
DECEMBER 31, 2005

MANAGEMENT COMMENT	PROPOSED-CORRECTIVE ACTION	COMPLETION DATE	CORRECTIVE ACTION	RESPONSIBLE THROUGH AGENCY CONTRACT
1. The Independent Auditor noted that the City of New Orleans' financial records for expenditures had not been completely adjusted.	The administration of the City of New Orleans has reviewed the situation relative to reconstituting of expenditures. It should be noted that the two grant services we have have each just reconstituted the expenditures. Therefore, expenditures recorded may be listed in the audit year as recorded in prior activity and expenditures over a multi-year period. However, the management of the City has and will enhance procedures to ensure an annual review of expenditures by each grant.	Sept. 2005	Repaired Done	All Major Federal Programs
2. The Independent Auditor noted that non-federal entities agree to comply with applicable laws, regulations, and the provisions of contract and grant agreements, and to maintain internal control to provide reasonable assurance of compliance with their requirements as a condition of receiving federal funds.	The administration of the City is committed to compliance with applicable laws, regulations and the provisions, through internal controls. The administration, through CMO and Office of Federal and State Programs, are collaboratively working to strengthen the City's internal control policy and procedures.	Dec. 2005	Training & Financial Authority reinitiated	All Major Federal Programs
3. The Independent Auditor noted that management of the Home program had not completed the establishment of a tracking system or data base that provides essential information of various programs in addition	The administration has been working with a local university to develop and implement a HOME project database and tracking system. The City believes that through the continued success of the local economy and HUD's HOME financial project management system, the administration will render all comments identified in the audit.	Dec. 2005	Adverse Paid	HUD

4. The Independent Auditor report that the management of the City of New Orleans did not include environmental targets regarding smoking expenditures in certain sub-specified categories	The administration has initiated several strategies to address this because of all necessary changes in sub-specified categories, and will expect these strategies to include a mechanism for reporting of results.	Dec. 2002	William E. French Adverse Path	ELP
8. The Independent Auditor noted a possible risk of ethics violations	The referenced apparent risk of ethics violations will be covered in appropriate information for further investigations and follow-up.	July 2002	Shelly Walsh	DA000
4. The Independent Auditor report that the management of the City of New Orleans had not completed the SI-300 annual report by May 16, 2002.	As referenced in the SI-300 administration is committed to follow and meet compliance, and the CAO and Mayor's Office of Internal and Audit Programs are in the process of reviewing and enhancing City policy that addresses all areas of green management and initiatives.	Dec. 2002	William E. French Katherine Williamson	DA000

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Monitoring

Reference Number: 2000-21

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved NA Unresolved NA

Initial Year of Finding: 1998

Page Number: 38

Program Name(s): CDBG, UDAG, HOME, Brownfield, Section 108, Domestic Violence, Welfare to Work, Health Center Grants, HIV Emergency Relief

Federal Grantor Agency: Labor, HHS, HUD Justice

CPDA Number(s): 14.218, 14.221, 14.236, 14.240, 14.248, 16.068, 17.253, 03.191, 03.019

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

X

Not Corrected

No Further Action Needed

Description of Status: initial corrective action planned and subsequent corrective action is complete

The City of New Orleans has continued to improve its monitoring of sub-recipients activities. It is anticipated that a fully compliant monitoring system will be implemented during the year 2002.

Preparer's Signature



Phone Number:

504-566-6913

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Administrative Requirements

Reference Number: 2000-02

Amount of Questioned Costs in Finding: \$ 0

Status of Questioned Costs (check one) Resolved YES Unresolved NO

Initial Year of Finding: 2000

Page Number: 40

Program Name(s): Community Development Block Grant

Federal Grantor Agency: U.S. Department of Housing and Urban Development

CFDA Number(s): 14.218

Status of Finding (check one)

Fully Corrected	<u>X</u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: problem corrected action planned and initiated (corrector adv. if available):

The City of New Orleans has taken the necessary steps to reduce its cumulative available entitlement grant funds to a percentage less than 1.5 times its current year's entitlement grant amount.

Preparer's Signature: John A. French

Phone Number: 504-565-6425

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Monitoring

Reference Number: 2000-03

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved N/A Unresolved: _____

Initial Year of Finding: 1998

Page Number: 42

Program Name(s): CDBG, LIAD, HO46E, Brownfield, Section 108, Welfare-to-Work, Health Center, HIV Relief

Federal Grantor Agency: Labor, HHS, HUD, Justice

CFOA Number(s): 14.218, 14.221, 14.238, 14.246, 14.248, 17.253, 59.151, 60.914

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	<u>XX</u>	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (Include correction action planned and scheduled completion date, if applicable)

The management of the City of New Orleans has continued to improve its monitoring of sub-recipients' activities. However, certain sub-recipient audit reports have not been received.

Preparer's Signature: Richard A. Mena

Phone Number: 604-565-6115

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Internal Control - Departmental Programmatic Activities

Reference Number: 2000-04

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved N/A Unresolved:

Initial Year of Finding: 1999

Page Number: 8/1

Program Name(s): WIC, Community Food, Economic Development, UDAG, Shelter Plus, Brownfield, Section 185, CDBG, Byrne Formula, Local Law, State and Community Highway, Emergency Management, Empowerment Zone, EPSCOT

Federal Grantor Agency: HUD, HHS, Justice, FEMA, Transportation, Agriculture

CFDA Number(s): 15.557, 15.558, 15.900, 54.201, 54.208, 14.245, 14.246, 14.218, 15.579, 15.580, 55.205, 83.534, 83.685, 83.141

Status of Finding (check one)

Fully Corrected	<u> </u>	Not Corrected	<u> </u>
Partially Corrected	<u>X</u>	No Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>		

Description of Status: agencies continue action planned and completed corrective action, if applicable

The management of the City of New Orleans has engaged professional consultants to develop overall monitoring procedures. It is anticipated that such procedures will be developed and implemented by September, 2002.

Preparer's Signature: Richard D. L'Heureux

Phone Number: 504-685-6913

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Allowable Costs

Reference Number: 2000-05

Amount of Questioned Costs in Findings: \$11,889

Status of Questioned Costs (check one) Resolved _____ Unresolved X

Initial Year of Finding: 2000

Page Number: 54

Program Name(s): CDBG, Home Investment

Federal Grantor Agency: HUD

CFDA Number(s): 14.215, 14.238

Status of Finding (check one)

Fully Corrected	_____	Part Corrected	_____
Partially Corrected	_____M	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: details corrective action planned and anticipated completion date, if available. _____

The City of New Orleans has received repayment of the \$1,784 in payroll overpayments. The Cost Control Statement for the two noted sub-recipients has not been obtained.

Preparer's Signature: Richard B. Street

Phone Number: 604-566-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Program Income

Reference Number: 2000-90

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved NA Unresolved

Initial Year of Finding: 1999

Fargo Number: 07

Program Name(s): Home Investment

Federal Grantor Agency: HUD

CFDA Number(s): 14.258

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____ <u> NA </u>
Partially Corrected	_____	No Further Action Needed	_____
Change-of-Corrective-Action	_____		

Description of Status: Issue resolved using internal and external consultation, if applicable.

The management of the City of New Orleans will take appropriate steps to ensure program's income is properly accounted for.

Preparer's Signature: John B. French

Phone Number: 504-565-6449

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Davis-Bacon Act

Reference Number: 2000-07

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved NA Unresolved: _____

Initial Year of Finding: 1998

Page Number: 60

Program Name(s): CDBG, Home Investment

Federal Grantor Agency: HUD

CFDA Number(s): 14.218, 14.229

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	<u>XX</u>
Change of Corrective Action	_____		

Description of Status: (select one or more actions from list and explain condition why it exists)

The management of the City of New Orleans has not fully implemented Davis-Bacon scheduling procedures.

Preparer's Signature: Richard D. Hines

Phone Number: 504-563-4413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Suspended and Debarned Certifications

Reference Number: 2900-00

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved Unresolved No

Initial Year of Finding: 2000

Page Number: 81

Program Name(s): CDBG, Home Investment, Welfare to Work, Health Center Grants, HIV
Emergency Relief

Federal Grantor Agency: HUD, Labor, HHS

CFDA Number(s): 14.216, 14.235, 17.253, 63.151, 63.914

Status of Finding (check one)

Fully Corrected	<u> </u>	Not Corrected	<u> </u>
Partially Corrected	<u> No </u>	for Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>		

Description of Status: (include corrective action plan and estimated completion date, if applicable)

The management of the City of New Orleans has not obtained all suspended and debarned certifications.

Preparer's Signature: Robert W. Threlk

Phone Number: 504-666-6443

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Matching

Reference Number: 2000-09

Amount of Questioned Costs in Findings: \$ 1,275,492

Status of Questioned Costs (check one) Resolved _____ Unresolved NA

Initial Year of Finding: 1998

Page Number: 64

Program Name(s): Home Investments

Federal Granting Agency: HUD

CFDA Number(s): 14.239

Status of Finding (check one)

Fully Corrected _____

Partially Corrected xx

Change of Corrective Action _____

Not Corrected _____

No Further Action Needed _____

Description of Status: (Include corrective action planned and anticipated completion date, if applicable)

The Department of Housing and Neighborhood Development of the City of New Orleans has compiled information to document the match of Home funds for the year ended December 31, 2000. However, the cognizant agency has not either reviewed or provided a final determination on such information.

Preparer's Signature: Richard D. Grant

Phone Number: (504) 866-6613

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Allowable Activities

Reference Number: 2000-10

Amount of Questioned Costs in Finding(s): \$ 2,972,000

Status of Questioned Costs (check one) Resolved _____ Unresolved: X

Initial Year of Finding: 2000

Page Number: 66

Program Name(s): CDBG

Federal Grantor Agency: HUD

CFDA Number(s): 14.219

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	<u> X </u>	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action needed and anticipated completion date, if applicable.) _____

The management of the City of New Orleans has provided programmatic accomplishments for two out the three departments questioned, resulting in questioned costs being reduced to \$1,000,000.

Preparer's Signature: Robert B. Lynch

Phone Number: 504-565-6463

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Special Tests and Provisions - On-Site Inspections

Reference Number: 2000-11

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved Yes Unresolved:

Initial Year of Finding: 1999

Page Number: 05

Program Name(s): Home Investment

Federal Grantor Agency: HUD

CRDA Number(s): 14,239

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	<u>Yes</u>	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action taken and estimated completion date, if applicable)

The management of the City of New Orleans has not performed all of the required site-inspections.

Preparer's Signature: Rita D. Grech

Process Number: (504) 565-6419

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Financial Reporting

Reference Number: 2000-12

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved N/A Unresolved: _____

Initial Year of Finding: 1999

Page Number: 70

Program Name(s): CDBG, Home Investment, Emergency Shelter, HOPWA

Federal Grantor Agency: HUD

CFDA Number(s): 14.218, 14.228, 14.221, 14.241

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

X

Not Corrected

No Further Action Needed

Description of Status: (include corrective action plan and anticipated completion date, if available)

The management of the City of New Orleans is continuing to update the financial information in the Integrated Disbursement and Information System.

Preparer's Signature

Shirley R. Sheach

Phone Number:

(504) 562-6419

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Reporting

Reference Number: 2000-13

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved N/A Unresolved _____

Initial Year of Finding: 1999

Page Number: 72

Program Name(s): HIV Emergency Relief, CDBG, Home Investment, Emergency Shelter, HOPWA

Federal Grantor Agency: HHS, HUD

CFDA Number(s): 63.014, 14.218, 14.238, 14.231, 14.241

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

X

Not Corrected

No Further Action Needed

Description of Status: (include corrective action planned and anticipated completion date, if applicable): _____

The management of the City of New Orleans is continuing to update the financial information in the related federal reports.

Preparer's Signature: Robert D. Lynch

Phone Number: (504) 565-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Inventory Management of Equipment

Reference Number: 2000-14

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved NA Unresolved: _____

Initial Year of Finding: 2000

Page Number: 75

Program Name(s): CDBG

Federal Grantor Agency: HUD

CFDA Number(s): 14.218

Status of Finding (check one)

Fully Corrected	<u> X </u>	Not Corrected	_____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: status proceeds action planned and scheduled corrections date 11/20/01

The management of the City of New Orleans has substantially updated the equipment and furniture listing.

Preparer's Signature: Debra R. Leland

Phone Number: (504) 565-6913

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Reporting

Reference Number: 2000-15

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved NO Unresolved:

Initial Year of Finding: 2000

Page Number: 77

Program Name(s): ODBG-Section 100

Federal Grantor Agency: HUD

CFDA Number(s): 14.346

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

X

Not Corrected

No Further Action Needed

Description of Status: goods services subcontracted and potential completion of work

The management of the City of New Orleans has not ensured that the monthly financial reports have been provided to HUD.

Preparer's Signature:

Debra D. Church

Phone Number:

(504) 563-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Earmarking

Reference Number: 2000-18

Amount of Questioned Costs in Findings: \$271,799

Status of Questioned Costs (check one) Resolved _____ Unresolved: X

Initial Year of Finding: 2000

Page Number: 79

Program Name(s): Home Investment

Federal Grantor Agency: HUD

CFDA Number(s): 14.238

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	<u> X </u>	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: Costs were audited, cleared and are being corrected into its books.

The management of the City of New Orleans has reallocated the noted costs. However, such reallocation has not been provided to the independent auditors for review.

Preparer's Signature:



Phone Number:

04-528-6419

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Procurement

Reference Number: 2000-17

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one): Resolved NA Unresolved

Initial Year of Finding: 2000

Page Number: 82

Program Name(s): Home Investment

Federal Grantor Agency: HUD

CFDA Number(s): 14.238

Status of Finding (check one)

Fully Corrected	<u> X </u>	Not Corrected	<u> </u>
Partially Corrected	<u> </u>	No Further Action Needed	<u> </u>
Change of Course Action	<u> </u>		

Description of Status: (include corrective action taken and anticipated corrective date, if applicable):

The management of the City of New Orleans obtained an immediate contract from the sub-recipients, and no similar conditions were noted during the 12/31/01 audit.

Preparer's Signature:



Phone Number:

504-565-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2009

Finding Title: Encumbrances

Reference Number: Management Letter Comment #1 - 12/31/09

Amount of Questioned Costs in Findings: \$.0

Status of Questioned Costs (check one) Resolved NO Unresolved:

Initial Year of Finding: 1998

Page Number: 2 - Management Letter

Program Name(s): All Federal Programs

Federal Grantor Agency: All Federal Programs

CFDA Number(s): All Federal Programs

Status of Finding (check one)

Fully Corrected	<u> </u>	Not Corrected	<u> </u>
Partially Corrected	<u> X </u>	No Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>		

Description of Status: issue corrected action initiated and anticipated completion date if resolved

The management of the City of New Orleans is continuing to evaluate encumbrances relative to grants.

Preparer's Signature: John R. Speach

Phone Number: 504-265-6412

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Matching Requirement

Reference Number: Management Letter Comment #2 - 1001/00

Amount of Questioned Costs in Findings: \$ 0.00

Status of Questioned Costs (check one): Resolved ☒ N/A ☐ Unresolved: ☐

Initial Year of Finding: 2000

Page Number: 2-Management Letter

Program Name(s): Welfare to Work

Federal Grantor Agency: Department of Labor

CFOA Number(s): 17.283

Status of Finding (check one)

Fully Corrected	<input checked="" type="checkbox"/>	Not Corrected	<input type="checkbox"/>
Partially Corrected	<input type="checkbox"/>	No Further Action Needed	<input type="checkbox"/>
Change of Corrective Action	<input type="checkbox"/>		

Description of SBA(s): (include complete information and estimated corrective costs, if applicable)

The management of the City of New Orleans has obtained match information from a local non-profit organization. Also, representatives from the State of Louisiana Department of Labor has reviewed such information.

Preparer's Signature

Robert R. Leland

Phone Number:

(504) 563-6463

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Programmatic Data Base

Reference Number: Management Letter Comment #3 - 12/31/00

Amount of Questioned Costs in Findings: 1.0

Status of Questioned Costs (check one) Resolved N/A Unresolved

Initial Year of Finding: 1999

Page Number: 3-Management Letter

Program Name(s): Home Investment

Federal Granting Agency: HUD

CFDA Number(s): 14.236

Status of Finding (check one)

Fully Corrected	<u> </u>	Not Corrected	<u> </u>
Partially Corrected	<u> </u>	No Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>		

Description of Status: (attach correction report, statement of intended correction plan, if applicable)

The management of the City of New Orleans has not completed the establishment of a programmatic database.

Preparer's Signature:



Phone Number:

(504) 568-6419

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Monitoring

Reference Number: 89-62

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved _____ Unresolved NA

Initial Year of Finding: 1998

Page Number: 30

Program Name(s): CDBG, HOME, Special Purpose, Emergency Shelter, Shelter Plus, Hopea, Employment Training Assist, JTPA, Welfare to Work, Pregnant Women, Health Center Grants, Ryan White

Federal Grantor Agency: Labor, HHS, HUD

CFDA Number(s): 14.218, 14.336, 14.377, 14.331, 14.208, 14.241, 17.248, 17.208, 17.253, 50.101, 50.151, 50.514, 50.815

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

X

Not Corrected

No Further Action Needed

Description of Status: problem corrected action planned and anticipated to prevent any recurrence

The City of New Orleans will continue in its efforts to ensure that a fiscal and programmatic system is completely established.

Preparer's Signature: Richard A. Shind

Phone Number: (504) 566-6419

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Internal Control - Departmental Programmatic Activities

Reference Number: 99-04

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved _____ Unresolved: NA

Initial Year of Finding:

Page Number: 43

Program Name(s): WIC, Comm. Supplemental Food, Econ. Dev. Grants, UDAG, OEOG,
Dynamic Formula Local Law, State Community Highway Safety,
Emergency Mgmt, Empowerment Zones

Federal Grantor Agency: HUD, HHS, Justice, Federal Emergency Management

CFOA Number(s): 10.557, 10.565, 11.280, 14.221, 14.218, 15.579, 15.592, 20.000,
83.534, 83.565

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

1

Not Corrected

No Further Action Needed

Description of Status: problem corrected, action planned and implemented, correction date, 1/2/2002

The management of the City of New Orleans has engaged professional consultants to develop cost-cutting monitoring procedures. It is anticipated that such procedures will be developed and implemented by September, 2002.

Preparer's Signature:

Theresa R. Marsh

Phone Number:

504-665-6419

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Allowable Costs

Reference Number: 99-05

Amount of Questioned Costs in Findings: \$ 727,140

Status of Questioned Costs (check one): Resolved X Unresolved

Initial Year of Finding: 1999

Page Number: 49

Program Name(s): CDBG, Homeless, Special Purpose, HIV Emergency Relief

Federal Grantor Agency: HUD, HHS

CFDA Number(s): 14.218, 14.241, 14.222

Status of Finding (check one)

Fully Corrected	<u> X </u>	Not Corrected	<u> </u>
Partially Corrected	<u> </u>	No Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>		

Description of Status: (include number, date, amount and HHS/DOH resolution date, if applicable)

The management of the City of New Orleans has obtained the necessary information to document the allowability of the related sub-recipient cost.

Preparer's Signature: Reba B. March

Phone Number: (504) 565-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Program Income

Reference Number: 99-95

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved _____ Unresolved: MR

Initial Year of Finding: 1998

Page Number: 49

Program Name(s):

Federal Grantor Agency: HUD, HHS

CFDA Number(s): 14.238, 14.241

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____ <u>K</u>
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action plan and enclosed corrective action, if applicable) _____

The management of the City of New Orleans will review and enhance the system of accounting for program income.

Preparer's Signature: John D. Beach

Phone Number: (504) 565-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Davis-Bacon Act

Reference Number: 99-07

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one): Resolved _____ Unresolved: MS

Initial Year of Finding: 1998

Page Number: 01

Program Name(s): CDBG, HOME, Special Purpose

Federal Grantor Agency: HUD

CFDA Number(s): 14.218, 14.238, 14.227

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____ <u>X</u> _____
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include corrective action plan and actual corrective action date, if available): _____

The management of the City of New Orleans has not fully implemented Davis-Bacon monitoring procedures.

Preparer's Signature: Debra D. French

Phone Number: 504-665-6963

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Matching

Reference Number: 89-09

Amount of Questioned Costs in Findings: \$ 966,033

Status of Questioned Costs (check one) Resolved _____ Unresolved NA

Initial Year of Finding: 1999

Fico Number: 58

Program Name(s): Home Investment Partnership

Federal Grantor Agency: HUD

CFDA Number(s): 14.239

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

X

Not Corrected

No Further Action Needed

Description of 2804.6-1 (include corrective action planned and estimated completion date, if applicable):

The Department of Housing and Neighborhood Development of the City of New Orleans has compiled information to document the match of Home funds for the year ended December 31, 1999. However, the originator agency has not either reviewed or provided a final determination on such documentation.

Preparer's Signature: Richard A. Smith

Phone Number: (504) 565-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Allowable Activities and Costs

Reference Number: 99-10

Amount of Questioned Costs in Findings: \$44,480

Status of Questioned Costs (check one) Resolved _____ Unresolved: NA

Initial Year of Finding: 1999

Page Number: 58

Program Name(s): HIV Emergency Relief

Federal Grantor Agency: HRG

CFDA Number(s): 89.814, 89.815

Status of Finding (check one)

Fully Corrected	_____	Not Corrected
Partially Corrected	<u>X</u>	No Further Action Needed
Change of Corrective Action	_____	

Description of Status: issue corrective action letter and initiated corrective date, 8/20/02

The matter has been resolved by action of the criminal court. The City of New Orleans has received a repayment agreement as a result of the criminal court action.

Preparer's Signature: John P. Alford

Phone Number: 504-665-6415

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2004

Finding Title: Special Tests and Provisions - on Site Inspections

Reference Number: 06-11

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved Unresolved: N/A

Initial Year of Finding: 1999

Page Number: 60

Program Name(s): Home Investors Partnership

Federal Grantor Agency: HUD

CFDA Number(s): 14.239

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

 X

Not Corrected

No Further Action Needed

Description of Status: problem corrected action planned and completed resolution date, if applicable

The management of the City of New Orleans has not performed all of the required inspections.

Preparer's Signature



Phone Number

504-566-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Financial Reporting

Reference Number: 99-12

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved Unresolved: NA

Initial Year of Finding: 1999

Page Number: 62

Program Name(s): CDBG, HOME, Emergency Shelter

Federal Grantor Agency: HUD

CFDA Number(s): 14.215, 14.230, 14.234

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

X

Not Corrected

No Further Action Needed

Description of Status: includes corrective action report and subsequent corrective action findings

This management of the City of New Orleans is continuing to update the financial information for the related federal reports.

Preparer's Signature:

Robert D. Louch

Phone Number:

504-685-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Reporting

Reference Number: 00-14

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved _____ Unresolved: NA

Initial Year of Finding: 1999

Page Number: 66

Program Name(s): HIV Emergency Relief, Healthy Start

Federal Grantor Agency: HRG

CFDA Number(s): 69.504, 69.506

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

X

Not Corrected

No Further Action Needed

Description of Status: [include corrective action(s) and estimated completion date, if applicable]

This management of the City of New Orleans is continuing to update the financial information for the related federal reports.

Preparer's Signature:

Phyllis A. Leland

Phone Number:

504-566-4913

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Monitoring

Reference Number: 99-01

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved YES Unresolved

Initial Year of Finding: 1999

Page Number: 50

Program Name(s): U.S. Department of Housing and Urban Development, Job Training Partnership, Welfare to Work, HIV Emergency Relief, Health Start Initiative

Federal Grantor Agency: U.S. Dept. of Housing and Urban Development, U.S. Department of Labor, Health and Human Services

CPDA Number(s): 14,218, 14,241, 14,238, 14,227, 17,246, 17,250, 17,253, 93,914,92,915, 93,926

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

 X

Not Corrected

No Further Action Needed

Description of Status: issue corrected with strong risk control mechanisms established

This City of New Orleans has continued to improve its monitoring of sub-recipient activities. It is anticipated that a fully compliant monitoring system will be implemented during the year 2002.

Preparer's Signature:

Theresa D. Lynch

Phone Number:

504-564-6403

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Monitoring

Reference Number: 98-02

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved MR Unresolved:

Initial Year of Finding: 1998

Page Number: 33

Program Name(s): U.S. Department of Housing and Urban Development, Job Training Partnership, Welfare to Work, HIV Emergency Relief, Health Start Initiative

Federal Grantor Agency: U.S. Dept. of Housing and Urban Development, U.S. Department of Labor, Health and Human Services

CFDA Number(s): 14.218, 14.241, 14.239, 14.207, 17.248, 17.258, 17.253, 60.014/90.915, 90.908

Status of Finding (check one)

Fully Corrected
Partially Corrected X
Change of Corrective Action

Not Corrected
No Further Action Needed

Description of Status: (include corrective action taken and/or proposed action(s), if applicable)

The City of New Orleans has continued to improve its monitoring of self-recipient activities. It is anticipated that a fully complete monitoring system will be implemented during the year 2002.

Preparer's Signature



Phone Number

604-565-6412

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Audits of Sub-recipient Activities

Reference Number: 98-03

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved _____ Unresolved: NA

Initial Year of Finding: 1999

Page Number: 39

Program Name(s): U.S. Department of Housing and Urban Development, Department of Health and Human Services

Federal Grantor Agency:

CFDA Number(s): 14.218, 14.239, 59.954, 59.215

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

X

Not Corrected

No Further Action Needed

Description of Status: partially corrected with statement and integrated compliance plan, Capitalize E

For the Department of Health and Human Services Programs, the City of New Orleans has received three acceptable audit reports. Also, two additional sub-recipients did not expend \$300,000 in total federal funds, and one audit of a sub-recipient has not been completed.

For the Department of Housing and Urban Development Program, one audit report is still outstanding.

Preparer's Signature: Michael D. Leland

Phone Number: 504-566-6619

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2005

Finding Title: Allowable Costs

Reference Number: 06-04

Amount of Questioned Costs in Findings: \$ 1,842,000

Status of Questioned Costs (check one) Resolved X Unresolved: NA

Initial Year of Finding: 1998

Page Number: 42

Program Name(s): Community Dev. Block Grants, Housing Department for Persons with AIDS, Special Purpose Grants, Healthy Start Initiative, HIV Emergency Relief Programs

Federal Grantor Agency: U.S. Department of Housing and Urban Dev., U.S. Department of Health and Human Services

CFDA Number(s): 14.278, 14.241, 14.227, 93.826, 93.914, 93.915

Status of Finding (check one)

Fully Corrected X
Partially Corrected _____
Change of Corrective Action _____

Not Corrected _____
No Further Action Needed _____

Description of Status: (include corrective action planned and anticipated completion date, if applicable)

The City of New Orleans has received a final determination with regard to the questioned costs from the Cognizant Agency which disclosed that no further action is required with regard to this condition.

Preparer's Signature: Richard D. Lynch

Process Number: 504-565-6469

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2004

Finding Title: Program Income

Reference Number: 95-05

Amount of Questioned Costs in Finding: \$ 0

Status of Questioned Costs (check one) Resolved _____ Unresolved: NA

Initial Year of Finding: 1999

Page Number: 45

Program Name(s): Community Development Block Grant, Home Inv., Special Purpose, HOPWA, Employment Training and Assistance, JTPA, Healthy Start Initiative, HIV Emergency Relief

Federal Grantor Agency: U.S. Dept. of Housing and Urban Dev., U.S. Department of Labor, U.S. Department of Health and Human Services

CFDA Number(s): 14.218, 14.239, 14.227, 14.244, 17.248, 17.260, 88.028, 93.014, 93.915

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____ <u>X</u>
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (include overview action taken and estimated completion date, if applicable)

The management of the City of New Orleans will take appropriate steps to ensure program income is properly accounted for.

Preparer's Signature: Reba D. French

Phone Number: 504-565-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Davis-Bacon Act

Reference Number: 98-00

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved NA Unresolved

Initial Year of Finding: 1998

Page Number: 48

Program Name(s): Community Dev. Block Grant, Home Investment, Special Purpose Grants

Federal Grantor Agency: U.S. Department of Housing and Urban Development

CFDA Number(s): 14.218, 14.230, 14.237

Status of Finding (check one)

Fully Corrected	<u> </u>	Not Corrected	<u>X</u>
Probably Corrected	<u> </u>	No Further Action Needed	<u> </u>
Change of Correction Action	<u> </u>		

Description of Status: (include correction action planned and anticipated completion date, if available)

The management of the City of New Orleans has not fully implemented Davis-Bacon monitoring procedures.

Preparer's Signature: Peter H. French

Phone Number: 504-564-6442

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Eligibility

Reference Number: 98-07

Amount of Questioned Costs in Findings: \$ 52,524

Status of Questioned Costs (check one) Resolved ☐ Unresolved: ☐

Initial Year of Finding: 1998

Page Number: 50

Program Name(s): Byrne Formula Grant Program

Federal Grantor Agency: U.S. Department of Justice

CFOA Number(s): 18.570

Status of Finding (check one)

Fully Corrected	<input type="checkbox"/>	Not Corrected	<input checked="" type="checkbox"/>
Partially Corrected	<input type="checkbox"/>	No Further Action Needed	<input type="checkbox"/>
Change of Corrective Action	<input type="checkbox"/>		

Description of Status: status remains with unresolved corrective action required

The City of New Orleans has not received a final determination with regard to questioned costs.

Preparer's Signature: Michael R. French

Phone Number: 504-565-6423

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Matching

Reference Number: 88-08

Amount of Questioned Costs in Findings: \$ 652,428

Status of Questioned Costs (check one) Resolved MB Unresolved: _____

Initial Year of Finding: 1988

Page Number: 55

Program Name(s): Home Investment Partnerships

Federal (donor Agency): U.S. Department of Housing and Urban Development

CFDA Number(s): 14.239

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____
Partially Corrected	<u>X</u>	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: (state circumstances, corrective action taken, etc. if needed): _____

The Department of Housing and Neighborhood Development of the City of New Orleans has compiled information to document the match of Homeo funds for the year ended December 31, 1988. However, the cognizant agency has not either reviewed or provided a final determination on such documentation.

Preparer's Signature: Neha R. Shreech

Phone Number: 504-563-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2006

Finding Title: Subrecipient Contracts

Reference Number: 07-07

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved N/A Unresolved

Initial Year of Finding: 1997

Page Number: 47

Program Name(s): HIV Emergency Relief Formula Grant - Ryan White
HIV Emergency Relief Project Grant - Ryan White

Federal Grantor Agency: U.S. Department of Health and Human Services

CFDA Number(s): 93.014, 93.916

Status of Finding (check one)

Fully Corrected	<u> X </u>	Not Corrected	<u> </u>
Partially Corrected	<u> </u>	No Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>		

Description of 549A(c) (page, column, entry, plan, and estimated number of entries if estimate):

The City of New Orleans has developed procedures to ensure subrecipient contracts contain appropriate language as specified by the Federal Government.

Preparer's Signature: John D. French

Phone Number: (504) 565-6419

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Monitoring Findings

Reference Number: 95-Findings-05

Amount of Questioned Costs in Findings: \$ 0.00

Status of Questioned Costs (check one) Resolved ☐ Unresolved: ☒ N/A

Initial Year of Finding:

Page Number: 47

Program Name(s):

Federal Grantor Agency:

CFDA Number(s): 14.215

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

☒

Not Corrected

No Further Action Needed

☐

Description of Status: initial corrective action started and scheduled completion date, Executive I

The management of the City of New Orleans concludes that the Family Center of Hope had not violated its agreement with the City of New Orleans, the regulations governing public facilities or its activities.

Preparer's Signature: Robert D. French

Phone Number: 504-562-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2004

Finding Title: Exemptions

Reference Number: Management Letter Comment Number 1

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved _____ Unresolved NA

Initial Year of Finding: 1998

Page Number: 2-Management Letter

Program Name(s): All Federal Programs

Federal Grantor Agency: All Federal Programs

CFDA Number(s): NA

Status of Finding (check one)

Fully Corrected	_____	Not Corrected
Partially Corrected	<u>0</u>	No Correct Action Needed
Change of Corrective Action	_____	

Description of BAA(s): *delete, correct, action element and add pertinent corrective data, if applicable*

The management of the City of New Orleans is continuing to evaluate and reconcile the exemption detail.

Preparer's Signature: John R. French

Phone Number: 504 - 565 - 643

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Monitoring of Programmatic Activities

Reference Number: Management Letter Comment Number 2

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved _____ Unresolved: NO

Initial Year of Finding: 1998

Page Number: 2-Management Letter

Program Name(s): Community Development Block Grant

Federal Grantor Agency: HUD

CFDA Number(s): 14.218

Status of Finding (check one)

Fully Corrected _____

Partially Corrected X

Change of Corrective Action _____

Not Corrected

No Further Action Needed

Description of Status: provide corrective action document indicating completion date, if available

The management of the City of New Orleans has engaged professional consultants to develop overall monitoring procedure. It is anticipated that such procedures will be developed and implemented by September, 2002.

Preparer's Signature:



Phone Number:

504-565-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Programmatic Data Base

Reference Number: Management Letter Comment Number 5

Amount of Questioned Costs in Finding(s): \$ 0

Status of Questioned Costs (check one) Resolved ☐ Unresolved ☒

Initial Year of Finding: 1990

Page Number: 4-Management Letter

Program Name(s): Home Investment Partnership

Federal Grantor Agency: HUD

OFA Number(s): 04.238

Status of Finding (check one)

Fully Corrected	<input type="checkbox"/>	Part Corrected	<input checked="" type="checkbox"/>
Partially Corrected	<input type="checkbox"/>	No Further Action Needed	<input type="checkbox"/>
Change of Correction Action	<input type="checkbox"/>		

Description of Status: partially corrected action planned and completed correction data is available

The management of the City of New Orleans has not completed the establishment of a programmatic data base.

Preparer's Signature: John W. Schuch

Phone Number: 504-565-6465

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Encumbrances

Reference Number: Management Letter Control Number 4

Amount of Questioned Costs in Finding: \$ 0

Status of Questioned Costs (check one) Resolved ☒ N/A ☐ Unresolved ☐

Initial Year of Finding: 1998

Page Number: 2-Management Letter

Program Name(s): All Federal Programs

Federal Grantor Agency: All Federal Programs

CFDA Number(s):

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

☐

☒

☐

Not Corrected

No Further Action Needed

Description of Status: issues corrected, corrected not entered, correction due, if corrected

The management of the City of New Orleans is continuing to evaluate and reconcile the encumbrance detail.

Preparer's Signature:

Robert A. French

Phone Number:

504-565-6919

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Post Completion Physical Inspection

Reference Number: Management Letter Comment Number 7

Amount of Questioned Costs in Findings: \$ 0

Status of Questioned Costs (check one) Resolved N/A Unresolved: _____

Initial Year of Finding: 1998

Page Number: 4-Management Letter

Program Name(s): Home Investment Partnership

Federal Grantor Agency: U.S. Department of Housing and Urban Development

CFDA Number(s): 14.208

Status of Finding (check one)

Fully Corrected	_____	Not Corrected	_____ <u>X</u>
Partially Corrected	_____	No Further Action Needed	_____
Change of Corrective Action	_____		

Description of Status: status corrected action planned and scheduled completion date, if applicable _____

The management of the City of New Orleans will adhere to established procedures and ensure post-completion physical inspections are performed.

Preparer's Signature: Richard W. Grant

Phone Number: 504-565-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Programmatic Data Base

Reference Number: Management Letter Comment Number 8

Amount of Questioned Costs in Finding: \$ 0

Status of Questioned Costs (check one) Resolved FSA Unresolved

Initial Year of Finding: 1998

Page Number: 4-Management Letter

Program Name(s): Home Investment Partnership

Federal Grantor Agency: U.S. Department of Housing and Urban Development

CFDA Number(s): 14.209

Status of Finding (check one)

Fully Corrected	<u> </u>	Not Corrected	<u> </u>
Partially Corrected	<u>X</u>	No Further Action Needed	<u> </u>
Change of Corrective Action	<u> </u>		

Description of Status: (include corrective action planned and estimated completion date, if available.)

The management of the City of New Orleans has not completed the establishment of a programmatic data base.

Preparer's Signature: Debra R. Smith

Phone Number: 202-565-6413

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended: December 31, 2001

Finding Title: Programmatic Monitoring of Departmental Federal Activities

Reference Number: Management Letter Contract Number 12

Amount of Questioned Costs in Findings: \$ 0.00

Status of Questioned Costs (check one) Resolved N/A Unresolved: _____

Initial Year of Finding: 1998

Page Number: 8-Management Letter

Program Name(s): Community Development Block Grant, Section 301 Loan Program,
Byrne Formula Grant

Federal Grantor Agency: U.S. Department of Housing and Urban Development,
Department of Justice

CFDA Number(s):

Status of Finding (check one)

Fully Corrected

Partially Corrected

Change of Corrective Action

2

Not Corrected

Self-Corrected/Under Monitor

Description of Status: status corrective action entered into and under correction date 8/20/02

The management of the City of New Orleans has engaged professional consultants to develop overall monitoring procedures. It is anticipated that such procedures will be developed and implemented by September, 2002.

Preparer's Signature: John D. Lynch

Phone Number: 504.586-6413